

# Measuring Devolution to Panchayats in India: A Comparison across States

Empirical Assessment – 2013-14

August 2014



*Sponsored by*  
**Ministry of Panchayati Raj**  
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**The Indian Institute of Public Administration**  
New Delhi

# Measuring Devolution to Panchayats in India: A Comparison across States

*Empirical Assessment – 2013-14*

V N Alok

The Indian Institute of Public Administration  
New Delhi

## Foreword

नितिन गडकरी  
NITIN GADKARI



ग्रामीण विकास, पंचायती राज और  
पेयजल एवं स्वच्छता मंत्री  
भारत सरकार  
MINISTER OF RURAL DEVELOPMENT, PANCHAYATI RAJ  
AND DRINKING WATER & SANITATION  
GOVERNMENT OF INDIA

### FOREWORD

The mandatory provisions of the 73<sup>rd</sup> Amendment of the Constitution of India embody the institutional framework of Panchayats. These have been complied by the States and Union Territories covered under Part IX by holding regular elections to PRIs, setting up State Election Commissions, State Finance Commissions and District Planning Committees. But since States enjoy exclusive powers in respect of devolution of powers to Panchayats, the extent of devolution and the capability of PRIs to function as institutions of local self government vary widely from State to State.

It has been often observed that the more effectively the Panchayats are endowed with powers and authority, the more effective is the role of elected representatives of PRIs. The Panchayats Empowerment and Accountability Incentive Scheme (PEAIS), which has since been subsumed under the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), had been introduced to incentivise the States to do more on devolution by recognising the efforts of the State Governments to empower Panchayats. Incentive funds are given to States/UTs in accordance with their performance as measured in the Devolution Index (DI) formulated by an independent national level agency. Since 2009-10 this report has been prepared by the Indian Institute of Public Administration (IIPA). This is the fourth in a series of reports by IIPA on comparative devolution of functions, responsibilities and resources by the States to the Panchayati Raj Institutions. The Report gives an inside account of the extent to which PRIs are enabled to take on their Constitutional functions in each State and portends the work that remains to be done for Panchayats to come into their own as institutions of local self government.

It is fervently hoped that the findings of this Report would enthuse State Governments and other concerned authorities, to take appropriate steps for greater devolution of powers and resources to Panchayats so that they make their mark on planning, implementation and delivery of public goods and services, and bring the voice of rural India into local governance.

  
(Nitin Gadkari)

## Acknowledgments

This volume is based on the report of the study entrusted to the Indian Institute of Public Administration by the Ministry of Panchayati Raj on 28 August 2013 in respect of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) for the year 2013-14. The seed for the study was implanted in 2004 when the Ministry of Panchayati Raj organised a series of state consultations in the form of seven round tables of state ministers-in-charge of Panchayati Raj. In the fifth round table on 'Annual Reports on the State of the Panchayats including preparation of a Devolution Index' held at Srinagar on 28-29 October 2004, I presented a concept paper on the devolution index which was developed with Laveesh Bhandari. The paper formed the basis in the subsequent work undertaken at the NCAER and the IIPA in respect of Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), a central sector scheme which was later merged in the RGPSA. Studies for the last five years conducted in IIPA have benefitted immensely from the support and intellectual inputs of Mrs. Rashmi Shukla Sharma, Joint Secretary, Ministry of Panchayati Raj. At the later stage, Ms Sarada Muraleedharan, Joint Secretary took immense interest on the subject and offered constructive comments.

As the coordinator of this research project, I'd like, first of all, to thank Mrs. Vijay Laxmi Joshi, Secretary to the Government of India, Ministry of Panchayati Raj who extended generous support and wrote the foreword of this volume. Over these five years, the work has benefitted from the support of a number of people and institutions whom I'd like to thank here. The project could never have been implemented without the co-operation of state governments. I wish to record my sincere thanks to the Principal Secretaries/Secretaries in charge of panchayats and nodal officers in the state governments or SIRD for their continuous support, assistance in making the data available to us and advice at various stages of the study. Officials dealing with the local finance in the Office of the Comptroller and Auditor General and Office of the Accountant General in states were also consulted. I'm grateful to elected representatives and officials at various panchayats for their valuable inputs in the validation of data.

These five years were punctuated by a series of workshops that took place at IIPA, Delhi. These were crucial moments, spent discussing conceptual frameworks, research objectives, methodologies, identifying partners, field work related issues, preliminary findings, comparative perspectives etc. It provided the opportunity to submit our thoughts and receive feedback from a number of actors involved in Panchayat Raj. Some of them offered comments in the National Workshop organised on 5 October 2012 at IIPA, New Delhi. The Participants include- Laveesh Bhandari, Jos Chathukulam, Joy Elamon, M.A. Oommen, G. Palanithurai, Mahesh Purohit, M.N.Roy, Atul Sarma, Rashmi Shukla Sharma, Loretta M. Vas, S.M. Vijayanand and state representatives.

In addition, I wish to thank all the State Secretaries and State Nodal Officers who participated in the National Workshop organised on 6 February 2013. In the past, I had benefitted from the wisdom of many domain experts and senior officers of the Ministry and multilateral institutions who participated and offered comments in two National Workshops organized in IIPA, Delhi on 13-14 July 2009 and 15-16 March 2010 with the UN Decentralization Community of Solution Exchange. The study draws upon the previous four study reports that were brought out in the form of a book.

Thanks are due to Indicus Analytics for the conduct of the survey in 23 states. Dripto Mukhopadhyay and Anuj guided the survey team.

The very empirical nature of this research, also means that a number of young researchers, have helped in the investigations, literature survey and data analysis. I want to express my gratitude to all of them

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Finally, heartfelt thanks are due to Dr Tishya Chatterjee, Director, IIPA for his encouragement and guidance.

V.N. Alok

## List of Abbreviations

AAO	Assistant Accounts Officer
ACA	Additional Central Assistance
ADC	Additional Deputy Commissioner
ADC	Assistant Development Commissioner
AEO	Agriculture Extension Officer
AEO*	Additional Executive Officer
AEW	Agriculture Extension Worker
ANERT	Agency of Non-Conventional Energy and Rural Technology
APD	Additional Project Director
ARWS	Accelerated Rural Water Supply Programme
ASHA	Accredited Social Health Activist
ATR	Action Taken Report
AWW	Anganwadi Worker
BDO	Block Development Officer
BDPO	Block Development Panchayat Officer
BPL	Below Poverty Line
BP	Block Panchayat
BPS	Block Panchayat Secretary
BRGF	Backward Regions Grant Fund
CAA	Constitution Amendment Act
C&AG	Comptroller and Auditor General
CBO	Community Based Organisations
CDO	Chief Development Officer
CEO	Chief Executive Officer
CRSP	Central Rural Sanitation Programme
CHC	Community Health Centre
CIC	Chief Information Commissioner

CO	Chief Officer
CPI	Consumer Price Index
CSS	Centrally Sponsored Scheme
DC	District Collector
DD	Deputy Director
DDC	District Development Commissioner
DDPO	District Development Panchayat Officer
DI	Devolution Index
DM	District Magistrate
DP	District Panchayat
DPAP	Drought Prone Area Programme
DPC	District Planning Committee
DRDA	District Rural Development Agency
DPO	District Planning Office
DPRO	District Panchayat Returning Officer
EA	Executive Assistant
EO	Extension Officer
EO*	Executive Officer
EVM	Electronic Voting Machine
GDP	Gross Domestic Product
GIS	Geographical Information System
GoI	Government of India
GP	Gram Panchayat
GPEO	Gram Panchayat Extension Officer
GS	Gram Sabha
GS*	Gram Sevak
HDI	Human Development Index
IAY	Indira Awas Yojana
ICDS	Integrated Child Development Services

ICT	Information and Communication Technology
IIPA	Indian Institute of Public Administration
ITDA	Integrated Tribal Development Agency
IWDP	Integrated Wasteland Development Programme
JD	Joint Director
JEO	Joint Executive Officer
KIC	Karnataka Information Commissioner
LAN	Local Area Network
LS	Lok Sabha
MDM	Mid Day Meal Programme
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MMA	Macro Management of Agriculture
MO	Medical Officer
MoPR	Ministry of Panchayati Raj
MPDO	Mandal Parishad Development Officer
NCAER	National Council of Applied Economic Research
NGO	Non-Governmental Organisation
NFC	National Finance Commission
NRHM	National Rural Health Mission
NRLM	National Rural Livelihoods Mission
PD	Project Director
PDI	Panchayat Devolution Index
PDO	Panchayat Development Officer
PEAIS	Panchayat Empowerment and Accountability Incentive Schemes
PEO	Panchayat Executive Officer
PHC	Primary Health Centre
PI	Panchayat Inspector
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRI	Panchayati Raj Institution

PS	Panchayat Secretary
PSEO	Panchayat Social Extension Officer
RGPSA	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan
RM&DD	Rural Management and Development Department
RS	Rajya Sabha
RTI	Right to Information
SA	Social Audit
SASTA	Social Audit Society of Tamil Nadu
SC	Scheduled Caste
SDI	State Devolution Index
SDO	Sub Divisional Officer
SEC	State Election Commission
SFC	State Finance Commission
SGSY	Swarna Jayanti Gram Swarojgar Yojana
SIC	State Information Commissioner
S. No.	Serial Number
SIRD	State Institute for Rural Development
SO	Section Officer
SSA	Sarva Shiksha Abhiyan
SSAAT	Society on Social Audit, Accountability and Transparency
ST	Scheduled Tribe
UN	United Nation
UT	Union Territory
VLW	Village Level Worker
VO	Veterinary Officer
VP	Village Panchayat
WAN	Wide Area Network

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# Measuring Devolution to Panchayats in India: A Comparison across States Empirical Assessment – 2013-14<sup>1</sup>

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## Executive Summary

### The Context

*Panchayats*, institutions of rural local self-governments, form a basic edifice of the multi order federalism in India. Panchayat derives its authority from the sub national unit, i.e. State which has the responsibility to nurture and develop the former. In the process, the Union Government offers needed support to the States, to ascertain fulfilling the legal provisions of the Constitution in letter and spirit. This is discernible from the 73<sup>rd</sup> Constitutional Amendment Act of 1993 embedded in the Constitution as Part IX.

In 2005-06, Ministry of *Panchayati Raj*, Government of India, had introduced the Panchayats Empowerment and Accountability Incentive Scheme (PEAIS) to (a) motivate states to empower the panchayats, and (b) motivate panchayats to put in place accountability systems to make their functioning transparent and efficient. To give it a further boost, the Ministry had come up with the scheme of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) in 2012-13 for the purpose of strengthening the *panchayat raj* system across States and addressing the critical gaps that constrain it. Incentive funds under this scheme are given to the States in accordance with their performance as measured by a Panchayat Devolution Index (PDI) formulated and computed by an independent institution. In addition, the Fifth Round Table of Ministers-in-Charge of *Panchayati Raj* held at Srinagar in October 2004 also adopted a resolution to develop a Panchayat Devolution Index based on the concept paper prepared by Alok and Bhandari and presented by Alok in the Round Table.

Since 2006-07, the devolution index has been developed primarily based on the concept paper by Alok and Bhandari (2004). The Ministry of Panchayati Raj assigns the study annually to the Indian Institute of Public Administration to compute the devolution index. Since 2012-13, the study had taken a different turn, and has moved a step forward, in terms of its scope due to the identification of the PDI as one of the measures to support the RGPSA.

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<sup>1</sup>The executive summary is an abridged version of the report of the study funded by the Ministry of Panchayati Raj, Government of India vide grant number M-11015/5/2013 – AR & RS. The author is grateful to authorities in the Ministry and particularly to the Secretary & the Joint Secretary Mrs Rashmi Shukla Sharma and Dr Tishya Chatterjee, Director, IIPA for extending generous support during the conduct of the study. Statistical assistance of Poornima M and Ramandeep Kaur is gratefully acknowledged.

Against the backdrop, the objectives of the study are as follows:

- To evaluate the performance of States/UTs in terms of the devolution of 3Fs in addition to strengthening institutional ‘framework’ (4<sup>th</sup> F) as well as the capacity of panchayats
- To examine the accountability framework for panchayats, put in place, by States/UTs
- To create cumulative and incremental indices to measure the devolution, frameworks for capacity building and accountability of panchayats
- To rank states and UTs along the above indices

## The Study

The present study assesses the enabling environment that the states have created for the *panchayats* to function as institutions of self-government. The enabling environment created by a state is compared with that of others in terms of various monitorable indicators identified in the study. The analysis begins with a test whether states/UTs have fulfilled the following five mandatory provisions of the Constitution:

- establishment of state election commission [article 243 K],
- holding regular panchayat election [article 243 E],
- reservation of seats for SCs/STs and women [article 243 D],
- establishment of state finance commission at regular intervals [article 243 I], and
- setting up of district planning committees [article 243 ZD].

The first stage shortlists states/UTs that pass all five criteria and, the second calculates indices by assigning scores to all indicators including the five indicators reflecting mandatory provisions of the Constitution.

The following table gives a picture of the indicators considered this year.

<b>Table 1: Panchayat Devolution Index: Dimensions &amp; Indicators</b>	
<b>Framework</b>	<ul style="list-style-type: none"> <li>• Basic Details of Panchayats</li> <li>• Panchayat Elections</li> <li>• Dissolution and Bye Elections</li> <li>• Constitution and Function of District Planning Committee</li> <li>• Role of Panchayats in Parallel Bodies/ Institutions</li> <li>• Autonomy to Panchayats</li> </ul>
<b>Functions</b>	

<ul style="list-style-type: none"> <li>• Functions Assigned to Panchayats and Actual Involvement of Panchayats</li> <li>• Involvement of Panchayats in Important Schemes</li> </ul>
<b>Finances</b>
<ul style="list-style-type: none"> <li>• Thirteenth Finance Commission Grants to Panchayats</li> <li>• State Finance Commission (SFC)</li> <li>• Money Transfers to Panchayat on accounts of the SFC recommendations</li> <li>• Empowerment of Panchayats to Impose and Collect Revenue</li> <li>• Funds Available with Panchayats</li> <li>• Expenditure of Panchayats</li> </ul>
<b>Functionaries</b>
<ul style="list-style-type: none"> <li>• Physical Infrastructure of Panchayats <ul style="list-style-type: none"> <li>▪ e-Connectivity</li> </ul> </li> <li>• Panchayat Officials <ul style="list-style-type: none"> <li>▪ Sanctioned and actual staff position</li> <li>▪ Power and Functions of Panchayats</li> </ul> </li> </ul>
<b>Capacity Building</b>
<ul style="list-style-type: none"> <li>• Training Institutions</li> <li>• Training Activities <ul style="list-style-type: none"> <li>▪ Training of Elected Representative and Officials</li> </ul> </li> </ul>
<b>Accountability</b>
<ul style="list-style-type: none"> <li>• Accounting and Audit</li> <li>• Social Audit</li> <li>• Gram Sabha</li> <li>• Transparency &amp; Anti-Corruption</li> <li>• Panchayat Assessment &amp; Incentives</li> </ul>

## The Method

The methodology for the current study, to a large extent, is based on the previous four studies on Panchayat Devolution Index conducted annually in IIPA. The questionnaire was developed and built upon the previous work by Alok (2013). The comments and feedbacks on previous work received from the state governments and academics were handy in developing the questionnaire. Further, workshop organised at IIPA to seek the views of the experts and the Secretaries/nodal officers of State Panchayati Raj Department served as a valuable input. This process was taken forward through continuous consultations with States and the Ministry of Panchayati Raj along with the review of the government reports on various issues, RGPSA guidelines, review of other national and international literature on decentralization and local governance. Related State Acts, manuals, state reports, government orders etc. were also sought to make better judgments. This process culminated in the form of a well-structured questionnaire with few open ended questions. The questionnaire was pre-tested in Karnataka and Rajasthan. The questionnaire had been sent to all State Governments on 10 December 2013 to elicit data. Data was also collected from the field in states to supplement or validate the data received from State Governments.

All the States and Union Territories are covered in the study except the States of Mizoram, Meghalaya and Nagaland. This is due to the reason that, Part IX of the Constitution does not apply to these scheduled and tribal areas and they are out of the purview of 73<sup>rd</sup> Amendment Act as stated in Article 243 (M). Hence, they have not been considered in the study. Further, the NCT of Delhi is also out of reckoning as panchayats were superseded in 1990 and have not yet been revived.

Thus, as highlighted in table below, 22 states and 2 Union Territories (UTs) participated in the Panchayat Devolution Index Survey in 2013-14. State Governments of Goa, Odisha and Uttar Pradesh and UT Administration of Andaman & Nicobar Island, Daman & Diu, Lakshadweep and Puducherry could not provide the data primarily due to the engagements of officers in the general election processes. However, the data of previous years were used for these states and UTs in the study.

**Table 2: Survey response from States and UTs**

<b>States/UTs outside the study</b>	<b>States/UTs not covered in the study</b>
Andaman & Nicobar Islands (data not received in the past few years)	Meghalaya
Puducherry (data not received in the last few years)	Mizoram
	Nagaland
	NCT of Delhi
<b>States/ UTs not responded for the study *</b>	
Goa	
Odisha	
Uttar Pradesh	
Daman	
Lakshadweep	

\* Data of previous years were used for these states and UTs as latest data from them could not be obtained.

Finally, the methodology and data received from State Governments and field were presented in a national workshop of State Secretaries/nodal officers organized on 5 February 2014 at IIPA, New Delhi organized jointly with the Union Ministry of Panchayati Raj. Views of the States were obtained and some clarifications/additional information were sought from States for final analysis and assessment.

### **Cumulative Devolution Index: Overall**

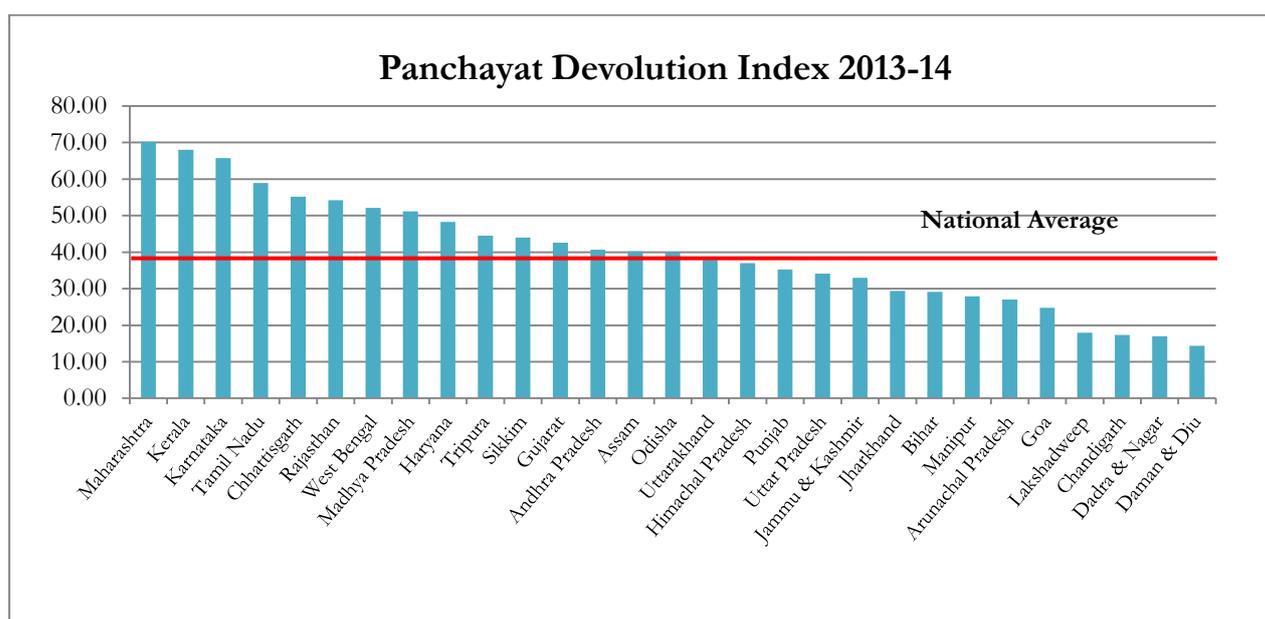
The Cumulative Index presents the overall scores and ranks for states/UTs on six identified dimensions. Table 3 gives the values of sub-indices or dimensional indices as well as the overall PDI, which forms the basis to present the ranks of states/UTs.

Table 3: Panchayat Devolution Index and sub-Indices 2013-14

Ranks	States	Framework D <sub>1</sub>	Functions D <sub>2</sub>	Finances D <sub>3</sub>	Functionaries D <sub>4</sub>	Capacity Building D <sub>5</sub>	Accountability D <sub>6</sub>	PDI D
1.	Maharashtra	74.01	63.26	59.03	78.91	78.24	80.24	70.21
2.	Kerala	72.65	61.61	68.37	71.09	60.70	74.77	68.00
3.	Karnataka	70.08	63.14	61.32	65.43	70.15	70.25	65.75
4.	Tamil Nadu	66.14	53.71	56.88	55.63	60.06	65.99	58.98
5.	Chhattisgarh	69.12	48.24	48.81	53.44	55.24	67.15	55.16
6.	Rajasthan	66.82	51.99	45.41	40.23	69.15	64.82	54.23
7.	West Bengal	62.96	54.67	39.09	38.82	79.24	54.42	52.09
8.	Madhya Pradesh	62.93	50.22	41.43	46.01	57.15	62.77	51.14
9.	Haryana	76.90	34.47	41.53	54.41	45.70	52.91	48.27
10.	Gujarat	54.12	40.24	28.43	56.50	51.15	43.26	42.61
11.	Andhra Pradesh	50.53	11.44	31.97	50.38	62.70	49.11	40.69
12.	Assam	51.77	42.83	26.69	30.86	62.06	44.76	40.26
13.	Odisha*	58.74	51.46	42.03	35.43	13.97	42.26	39.95
14.	Uttarakhand	54.87	41.47	21.05	31.07	42.55	58.72	37.87
15.	Himachal Pradesh	50.26	21.58	30.89	38.97	39.09	51.49	36.96
16.	Punjab	60.58	28.08	23.80	30.31	38.76	50.09	35.28
17.	Uttar Pradesh*	55.20	41.04	35.74	18.68	29.67	29.73	34.11
18.	Jammu & Kashmir	29.67	19.29	34.53	22.00	56.36	33.16	32.95
19.	Jharkhand	56.61	20.36	12.30	36.40	44.91	31.97	29.40
20.	Bihar	48.21	39.49	16.82	24.45	41.88	22.74	29.15
21.	Goa*	44.21	17.78	18.21	43.06	10.30	27.94	24.75
	<b>North Eastern States</b>							
1.	Tripura	57.37	47.49	32.53	47.69	45.52	52.53	44.48
2.	Sikkim	63.97	45.72	44.87	36.19	36.82	41.90	43.95

Ranks	States	Framework D <sub>1</sub>	Functions D <sub>2</sub>	Finances D <sub>3</sub>	Functionaries D <sub>4</sub>	Capacity Building D <sub>5</sub>	Accountability D <sub>6</sub>	PDI D
3.	Manipur	52.73	14.17	17.64	22.59	39.24	39.34	27.87
4.	Arunachal Pradesh	46.09	29.21	16.71	22.09	38.97	25.79	27.03
<b>Union Territories</b>								
1.	Lakshadweep	38.36	20.79	6.87	19.95	14.24	25.14	17.91
2.	Chandigarh	28.53	6.11	19.75	18.93	12.73	19.02	17.30
3.	Dadra & Nagar	34.52	1.67	1.07	40.30	16.12	29.94	16.98
4.	Daman & Diu	49.02	3.43	5.58	20.29	3.64	24.78	14.40
	<b>National Average</b>	<b>55.41</b>	<b>35.34</b>	<b>32.05</b>	<b>39.66</b>	<b>44.01</b>	<b>46.10</b>	<b>39.92</b>

\* Data of previous years were used for these states and UTs as latest data from them could not be obtained.

*Exhibit 1*

Based on the weighted aggregation of six dimensional sub-indices, the composite PDI is computed for the states/UTs. Table 3 and Exhibit 1 depicts that state of Maharashtra ranks first for the year 2013-14 with an index value of 70.21 followed by Kerala (68.00), Karnataka (65.75), Tamil Nadu (58.98) and Chhattisgarh (55.16). Further, Rajasthan is ranked sixth with a score above 50. The scores highlight a significant gap between the top two performers and the rest.

It may be noted that the states namely West Bengal and Madhya Pradesh are above 50 i.e. 52.09 and 51.14, respectively. State of Haryana, Gujarat, Andhra Pradesh, Assam, Odisha, along with the North Eastern states of Tripura and Sikkim emerged as the medium scorers with values above the national average i.e. 39.92.

### **Cumulative Index: Dimensional**

Tables 3 and 4 also present the dimensional indices or devolution sub-indices. States have been ranked in each of the dimensions and values have also been presented for instant comparison.

Table 4: States/UTs with Devolution Sub-indices according to Ranks and Values

Ranks	Framework (D <sub>1</sub> )		Functions (D <sub>2</sub> )		Finances (D <sub>3</sub> )		Functionaries (D <sub>4</sub> )		Capacity (D <sub>5</sub> )	Building	Accountability (D <sub>6</sub> )	
	State	Value	State	Value	State	Value	State	Value	State	Value	State	Value
1.	Haryana	76.90	Maharashtra	63.26	Kerala	68.37	Maharashtra	78.91	West Bengal	79.24	Maharashtra	80.24
2.	Maharashtra	74.01	Karnataka	63.14	Karnataka	61.32	Kerala	71.09	Maharashtra	78.24	Kerala	74.77
3.	Kerala	72.65	Kerala	61.61	Maharashtra	59.03	Karnataka	65.43	Karnataka	70.15	Karnataka	70.25
4.	Karnataka	70.08	West Bengal	54.67	Tamil Nadu	56.88	Gujarat	56.50	Rajasthan	69.15	Chhattisgarh	67.15
5.	Chhattisgarh	69.12	Tamil Nadu	53.71	Chhattisgarh	48.81	Tamil Nadu	55.63	Andhra Pradesh	62.70	Tamil Nadu	65.99
6.	Rajasthan	66.82	Rajasthan	51.99	Rajasthan	45.41	Haryana	54.41	Kerala	60.70	Rajasthan	64.82
7.	Tamil Nadu	66.14	Odisha *	51.46	Odisha *	42.03	Chhattisgarh	53.44	Tamil Nadu	60.06	Madhya Pradesh	62.77
8.	West Bengal	62.96	Madhya Pradesh	50.22	Haryana	41.53	Andhra Pradesh	50.38	Madhya Pradesh	57.15	Uttarakhand	58.72
9.	Madhya Pradesh	62.93	Chhattisgarh	48.24	Madhya Pradesh	41.43	Madhya Pradesh	46.01	Jammu & Kashmir	56.36	West Bengal	54.42
10.	Punjab	60.58	Uttarakhand	41.47	West Bengal	39.09	Goa *	43.06	Chhattisgarh	55.24	Haryana	52.91
11.	Odisha *	58.74	Uttar Pradesh *	41.04	Uttar Pradesh *	35.74	Rajasthan	40.23	Gujarat	51.15	Himachal Pradesh	51.49
12.	Jharkhand	56.61	Gujarat	40.24	Jammu & Kashmir	34.53	Himachal Pradesh	38.97	Haryana	45.70	Punjab	50.09
13.	Uttar Pradesh *	55.20	Bihar	39.49	Andhra Pradesh	31.97	West Bengal	38.82	Jharkhand	44.91	Andhra Pradesh	49.11
14.	Uttarakhand	54.87	Haryana	34.47	Himachal Pradesh	30.89	Jharkhand	36.40	Uttarakhand	42.55	Gujarat	43.26
15.	Gujarat	54.12	Punjab	28.08	Gujarat	28.43	Odisha *	35.43	Bihar	41.88	Odisha *	42.26
16.	Andhra Pradesh	50.53	Himachal Pradesh	21.58	Punjab	23.80	Uttarakhand	31.07	Himachal Pradesh	39.09	Jammu & Kashmir	33.16
17.	Himachal	50.26	Jharkhand	20.36	Uttarakhand	21.05	Punjab	30.31	Punjab	38.76	Jharkhand	31.97

	Pradesh											
18.	Bihar	48.21	Jammu & Kashmir	19.29	Goa *	18.21	Bihar	24.45	Uttar Pradesh *	29.67	Uttar Pradesh *	29.73
19.	Goa *	44.21	Goa *	17.78	Bihar	16.82	Jammu & Kashmir	22.00	Odisha *	13.97	Goa *	27.94
20.	Jammu & Kashmir	29.67	Andhra Pradesh	11.44	Jharkhand	12.30	Uttar Pradesh *	18.68	Goa *	10.30	Bihar	22.74
<b>North- Eastern</b>												
1.	Sikkim	63.97	Tripura	47.49	Sikkim	44.87	Tripura	47.69	Assam	62.06	Tripura	52.53
2.	Tripura	57.37	Sikkim	45.72	Tripura	32.53	Sikkim	36.19	Tripura	45.52	Sikkim	41.90
3.	Manipur	52.73	Assam	42.83	Assam	26.69	Assam	30.86	Manipur	39.24	Assam	44.76
4.	Assam	51.77	Arunachal Pradesh	29.21	Manipur	17.64	Manipur	22.59	Arunachal Pradesh	38.97	Manipur	39.34
5.	Arunachal Pradesh	46.09	Manipur	14.17	Arunachal Pradesh	16.71	Arunachal Pradesh	22.09	Sikkim	36.82	Arunachal Pradesh	25.79
<b>Union Territories</b>												
1.	Daman & Diu	49.02	Lakshadweep	20.79	Chandigarh	19.75	Dadra & Nagar	40.30	Dadra & Nagar	16.12	Dadra & Nagar	29.94
2.	Lakshadweep	38.36	Chandigarh	6.11	Lakshadweep	6.87	Daman & Diu	20.29	Lakshadweep	14.24	Lakshadweep	25.14
3.	Dadra & Nagar	34.52	Daman & Diu	3.43	Daman & Diu	5.58	Lakshadweep	19.95	Chandigarh	12.73	Daman & Diu	24.78
4.	Chandigarh	28.53	Dadra & Nagar	1.67	Dadra & Nagar	1.07	Chandigarh	18.93	Daman & Diu	3.64	Chandigarh	19.02
	<b>Average</b>	<b>55.41</b>	<b>Average</b>	<b>35.34</b>	<b>Average</b>	<b>32.05</b>	<b>Average</b>	<b>39.66</b>	<b>Average</b>	<b>44.01</b>	<b>Average</b>	<b>46.10</b>

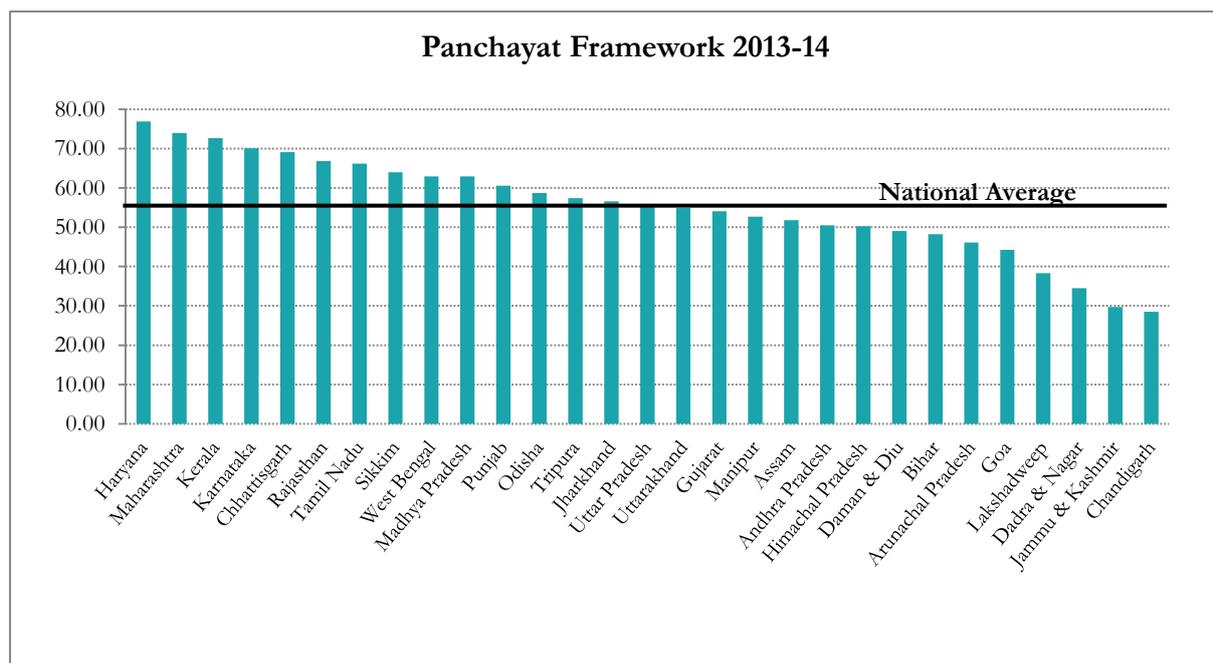
Source: Author's calculation

\* Data of previous years were used for these states and UTs as latest data from them could not be obtained.

### **Framework (D<sub>1</sub>)**

In the Framework dimension, an attempt is made to include indicators related to the mandatory framework of the Constitution. Table 4 shows that Haryana ranks first with a score of 76.90 followed by Maharashtra (74.01), Kerala (72.65), and Karnataka (70.08). Chhattisgarh, Rajasthan and Tamil Nadu are next in this order. Sikkim and Tripura are among those north-eastern states that are above the national average of 55.41.

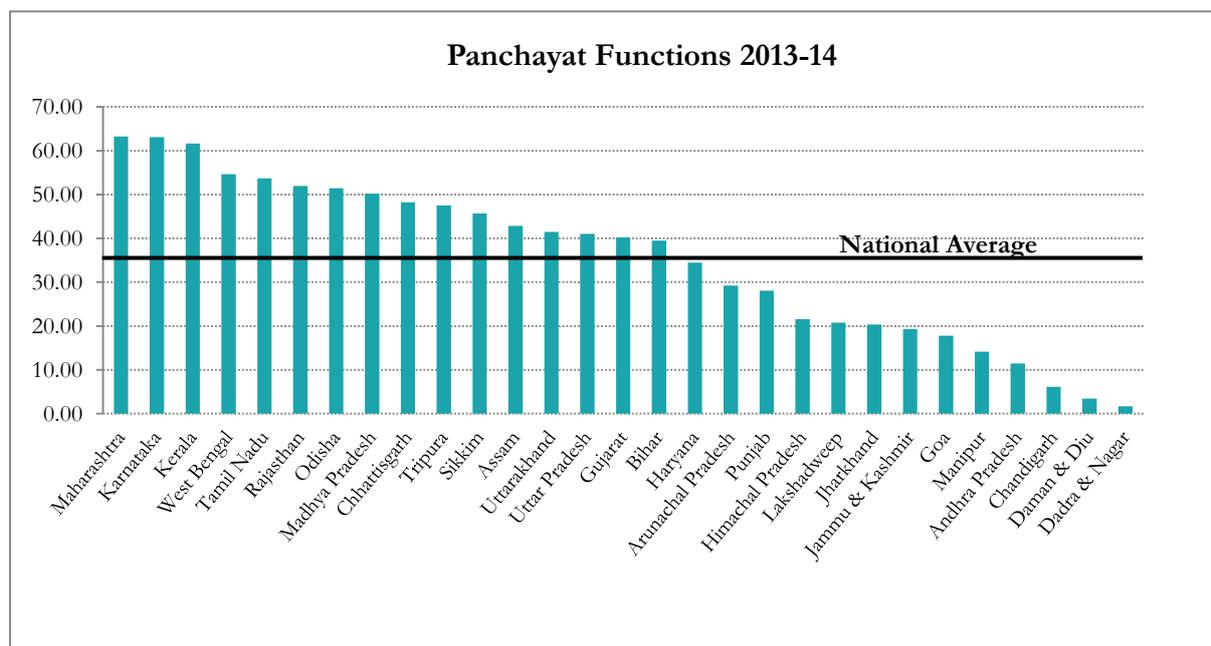
*Exhibit 2*



### **Functions (D<sub>2</sub>)**

In the dimension of Functions, Maharashtra tops the list with an index value of 63.26. Karnataka and Kerala closely follow with 63.14 and 61.61 respectively. West Bengal, Tamil Nadu, Rajasthan, Odisha and Madhya Pradesh are other states in that order with scores over 50. It can be noticed that 16 states including three North Eastern states are placed above the national average of 35.34, while all the UTs have scored less.

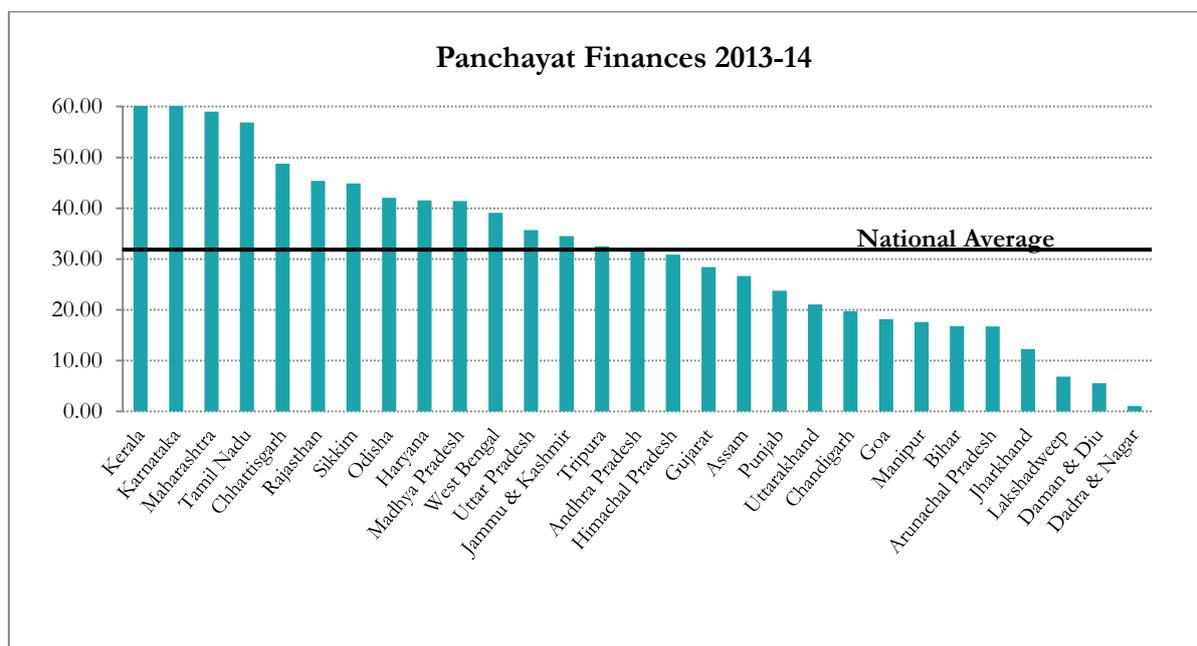
Exhibit 3



### **Finances (D<sub>3</sub>)**

Finances are the most important dimension, carrying the maximum weightage in the index. From Alok (2013), the dimension of finances has been modified further by adding few questions in the section on ‘taxes’, ‘funds available with *panchayat*’ and ‘expenditures of *panchayats*’. Table 3 and Exhibit 4 depicts that Kerala is leading with an index value of 68.37 followed by Karnataka, Maharashtra and Tamil Nadu with values of 61.32, 59.03 and 56.88 respectively. Disappointingly, the dimension with maximum indicators registers a low national average of 32.05. However, 13 states including two North Eastern states i.e., Sikkim and Tripura are above the national average in this sub-index.

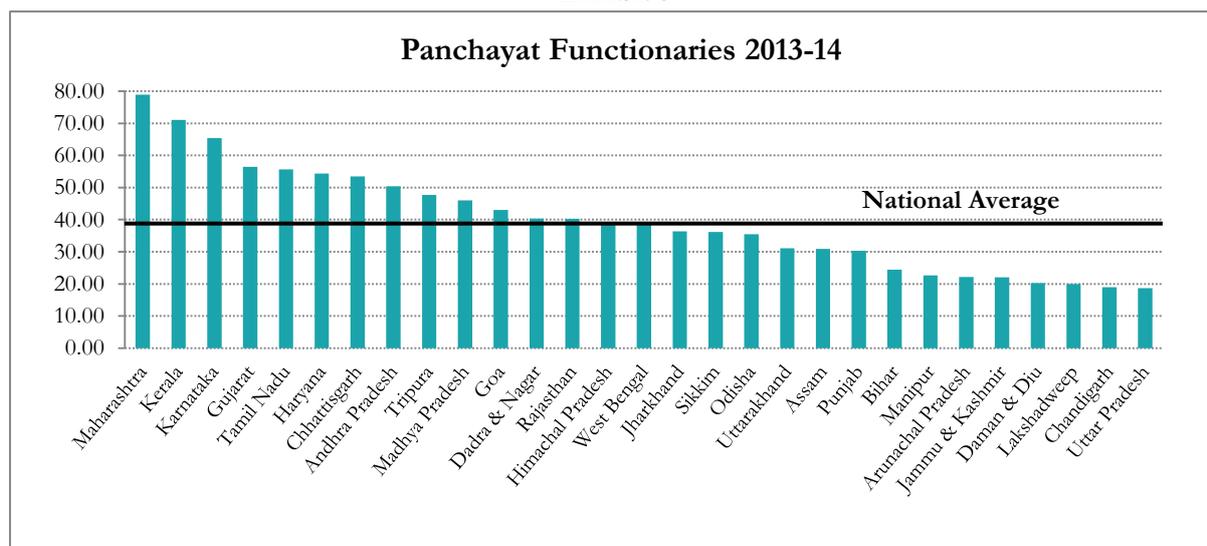
Exhibit 4



### **Functionaries (D<sub>4</sub>)**

The dimension of Functionaries enjoys greater influence due to its relevance in strengthening *panchayats*. As revealed in Table 4 and Exhibit 5, Maharashtra ranks the highest with the value of 78.91. Kerala is ranked second in this dimension with a score of 71.09 followed by Karnataka with index value of 65.43. Gujarat, Tamil Nadu, Haryana, Chhattisgarh and Andhra Pradesh have secured scores above 50.0 along with a North Eastern State of Tripura (47.69). Scores of four other states and the Union Territory of Dadra & Nagar Haveli (40.30) are above the national average of 39.66.

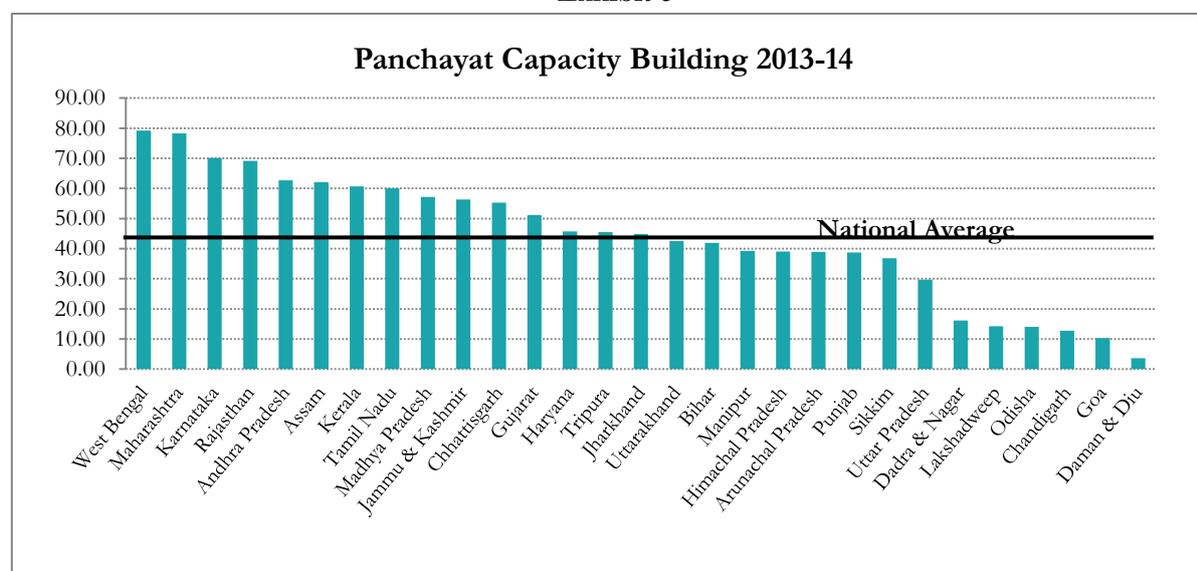
Exhibit 5



### Capacity Building (D<sub>5</sub>)

The dimension of Capacity Building helps in capturing various measures of the states in the strengthening of *panchayats*. From Table 4 and Exhibit 6, it can be observed that West Bengal secures first rank in Capacity Building dimension with the value of 79.24 closely followed by Maharashtra, Karnataka and Rajasthan, with values of 78.24, 70.15 and 69.15 respectively. Eleven states scored more than the national average of 44.01. It is heartening to note that Jammu & Kashmir has made a remarkable achievement in capacity building by scoring an index value of 56.36, which augurs well and conveys commitment by the state to strengthen *panchayats*.

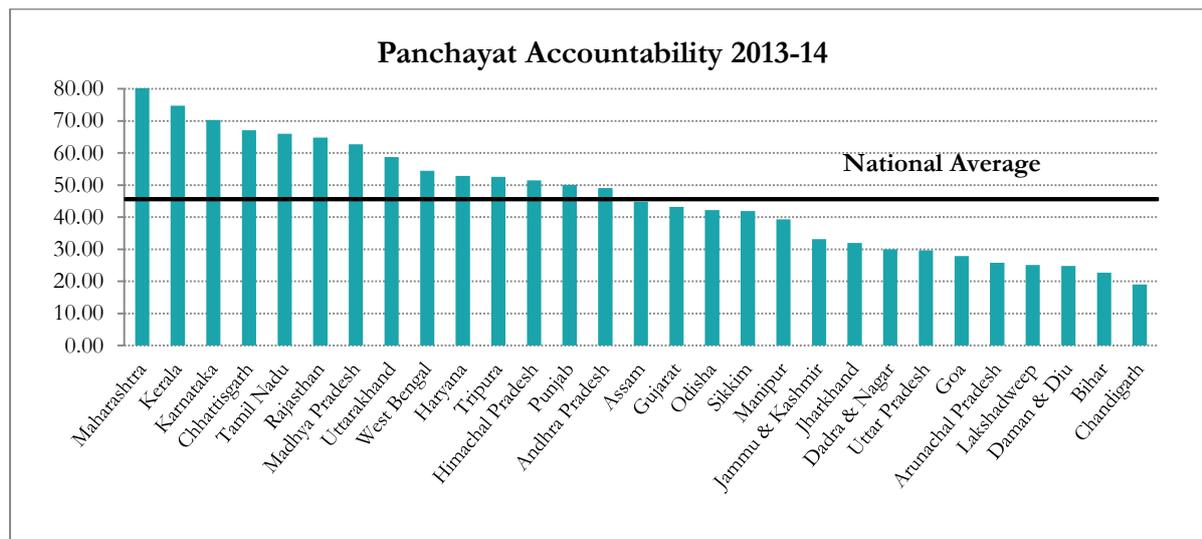
Exhibit 6



### Accountability (D<sub>6</sub>)

‘Accountability’ has been identified as an important dimension, in making *panchayats* answerable to the people and working in a fair and efficient manner. In this dimension as shown in Table 4 and Exhibit 7, Maharashtra ranks first with index value of 80.24 followed by Kerala, Karnataka and Chhattisgarh with values of 74.77, 70.25 and 67.15 respectively. Tamil Nadu, Rajasthan, Madhya Pradesh, Uttarakhand, West Bengal, Haryana, Tripura, Himachal Pradesh and Punjab are other states in descending order with value more than 50. As many as fourteen states including Tripura, a North Eastern state, scored more than the national average, i.e. 46.10.

*Exhibit 7*



Thus, from a comparative analysis of all these dimensions and its indicators, various aspects can be inferred. It can be concluded from the analysis of the dimensions of Functions and Finances that devolution in financial domain, in general, falls short of that in functional domain. It is also found that the achievement in all the dimensions except mandatory framework is below par.

### Ranking of States

It is clear from Table 3 and Exhibit 1 that Maharashtra tops the chart in the composite Panchayat Devolution Index, as well as in the key sub-indices of Functions, Accountability and Functionaries. Overall indicator analysis shows that the state has performed pretty well in almost all indicators identified in the study. The state devolves good number of functions to *panchayats* at the same time *panchayats* have been assigned sufficient roles in the vertical schemes designed by the upper levels of governments. The state is among the front runners in releasing the Thirteenth Finance Commission grant in time. *Panchayats* in the state enjoy maximum power to levy taxes and non-taxes. *Panchayats* in Maharashtra utilise funds adequately and share the top slot with their counterparts as far as the indicator related to fund utilisation and expenditure are concerned. Under the Functionaries dimension, the state provides the best physical infrastructure to *panchayats* along with the required staff and proper connectivity. The state ranked top in the Accountability dimension as well with good scores in the indicator of ‘accounting and audit’ and stands outstanding in the indicator of ‘panchayat assessment and incentives’. In Capacity Building dimension, the state ranks second and has the best framework of training on one hand

and implementation on the other. It may be recollected that Maharashtra has historical background of strong legal and policy framework. A comprehensive Act for *zilla* (district) *parishad* and *panchayat samiti* was enacted way back in 1966. A separate Act is in place for *gram panchayats*. Time to time amendments has been made. Development cadre at *zilla parishad* level, in particular, executes these elaborated legal provisions. It may also be recollected that the state had received awards in the past under composite devolution index, for creating the environment for the panchayats to function as institutions of self-government.

Kerala follows Maharashtra in the composite Panchayat Devolution Index. Kerala occupies first place in Finances, second position in Accountability and Functionaries and ranked third in the dimensions of Framework and Functions. Functioning of panchayats in the state is considered highly transparent. The state devolves maximum numbers of functions to panchayats and at the same time has a transparent system of transferring money under panchayat's window. The institution of state finance commission in Kerala has emerged to be the most effective in the recent past. Kerala has adequate staffs for the effective functioning of panchayats as found from the study. Under the indicator of 'fund availability' the state secured the highest scores. Furthermore, panchayats of Kerala are strong in implementing social audit. The state is good in training panchayat officials. So far as the indicator of 'functioning of gram Sabha' and 'accounting and audit' is concerned, the state ranks first, and in terms of e-connectivity of panchayats, the state is second. The provisions related to *gram sabha* in the state are considered the best among all the states. In Functionaries dimension, it scored high marks due to good infrastructural support.

Karnataka is ranked third in the overall Panchayat Devolution Index. Karnataka occupies the second place in Functions and Finances and third place in Accountability, Functionaries and Capacity Building dimensions. Karnataka is as good as Maharashtra in releasing the Thirteenth Finance Commission grants to panchayats on time. The state has also devolved a good number of functions to panchayats. The state of Karnataka scored second in the indicator of vertical schemes. In Functionaries and Capacity Building dimensions, it scored high marks due to good infrastructural support provided by the state. Like Maharashtra, panchayats in the state have been assigned maximum powers to collect taxes and non-taxes. Panchayats in the state are more transparent than that of other states including Kerala and Maharashtra. Furthermore, panchayats of Karnataka are strong in implementing social audit. The state has an efficient capacity building framework to train functionaries at the panchayats, particularly the elected representatives. Above all, the panchayats gets the largest share in total public expenditure of the state compared to that of others.

Tamil Nadu is ranked fourth in the overall index. With an enviable score it ranks fourth in the Finances dimension. The system of transfer of grants through Thirteenth Finance Commission is quite remarkable in the state. Panchayat officials at local level are accountable to panchayats. The state has scored high marks in the indicator related to the 'state finance commission'. In the dimension of Capacity Building, the state is good in assessing the need and conducting training for panchayats' representatives and officials. The state of Tamil Nadu, seems to perform well in the indicators of 'performance assessment and incentivisation', devolving functions to panchayats and also in terms of 'training institutions'.

The performance of Chhattisgarh has been remarkable in the overall index and is ranked fifth and scored well in the dimension of Framework. Panchayats in the state have been assigned sufficient roles in the vertical schemes. The state of Chhattisgarh is taking efforts towards accountability and ranks fourth position in the dimension. The provisions and functioning of 'gram sabha' in the state and measures towards 'transparency and anti-corruption' and 'accounting and audit' is as good as that of many other top ranking states. In the indicator of e-Connectivity of panchayat, the state is third. Chhattisgarh has adequate staff for the functioning of panchayats.

**Table 5: Categorising States/UTs on the basis of PDI Scores**

Category of States	States
Very High > 60	Maharashtra (70.21), Kerala (68.00) and Karnataka (65.75)
High >55 and ≤60	Tamil Nadu (58.98) and Chhattisgarh (55.16)
Medium >50 and ≤55	Rajasthan (54.23), West Bengal (52.09) and Madhya Pradesh (51.14)
Low >39.92 and ≤50	Haryana (48.27), Tripura (44.48), Sikkim (43.95), Gujarat (42.61), Andhra Pradesh (40.69), Assam (40.26) and Odisha (39.95)
Very Low below National Average (39.92)	Uttarakhand (37.87), Himachal Pradesh (36.96), Punjab (35.28), Uttar Pradesh (34.11), Jammu & Kashmir (32.95), Jharkhand (29.40), Bihar (29.15), Manipur (27.87), Arunachal Pradesh (27.03), Goa (24.75), Lakshadweep (17.91), Chandigarh (17.30), Dadra & Nagar (16.98) and Daman & Diu (14.40)

As shown in Table 5, Maharashtra, Kerala and Karnataka which scored above 60 are considered as 'very high' in the score of overall Devolution Index followed by Tamil Nadu and Chhattisgarh, which are rated as high performing states. Rajasthan, West Bengal and Madhya Pradesh, scored between 50 and 55, and lie under the third category of 'medium scorers' whose performance is fairly well in all sub-dimensions. Similarly, there are seven other states which are categorised as 'low performers' in devolving powers to the *panchayats*. The seven states namely Haryana, Tripura, Sikkim, Gujarat, Andhra Pradesh, Assam and Odisha lie above the national average, i.e. 39.92. However, other fourteen states namely Uttarakhand, Himachal Pradesh, Punjab, Uttar Pradesh, Jammu & Kashmir, Jharkhand, Bihar, Goa and two Eastern states (Manipur and Arunachal Pradesh) along with four Union Territories (Lakshadweep, Chandigarh, Dadra & Nagar and Haveli Daman & Diu) are still below the national average of 39.92 and are considered as 'very low performers'.

### **The Incremental Panchayat Devolution Index: 2013-14**

The Incremental Panchayat Devolution Index is based on the recent initiatives that the states have undertaken since April 2012. The index is created on two categories of initiatives. Firstly, the initiatives are listed by the states under various heads of Framework, Functions, Finances,

Functionaries, Capacity Building and Accountability. Then, they are scored on three parameters that reflect the commitment of the state to empower *panchayats* and promote their accountability: (a) Institutional Strengthening of *panchayats*, (2) Improvement in Process and (3) Improvement in Delivery of Services and Accountability of *Panchayats*.

Each initiative is awarded one to ten marks for each of the parameters. Thus, it can score a maximum of thirty points if the initiative qualifies the best for all parameters. We have taken a maximum of four initiatives undertaken by the states. Henceforth, each state can be awarded with a maximum of 120 marks. The exercise has been undertaken on the basis of data provided by each state.

Each state therefore has received scores on four major initiatives as reported by each state. These scores are then aggregated using an equal weights approach. This has yielded the final scores on the basis of which states have been ordered.

Results of the incremental exercise are presented in Table 6. There are in all 8 states which have taken initiatives that could be considered worthy on the above parameters. Table 5 reveals that Maharashtra has scored the maximum index value of 64.20 followed by Kerala and Chhattisgarh. Other significant scorers are Andhra Pradesh, Arunachal Pradesh and Bihar, which made significant contribution for strengthening panchayats and for the first time came forward under this parameter along with other states followed by states of Karnataka and Rajasthan. The initiatives undertaken from April 2012 till December 2013 have only been considered. The good initiatives made public before and after the period have not been considered in the present analysis.

**Table 6: Incremental Panchayat Devolution Index 2013-14**

States	Index Value	Rank
Maharashtra	64.20	1
Kerala	55.56	2
Chhattisgarh	43.21	3
Andhra Pradesh	32.10	4
Arunachal Pradesh	30.86	5
Bihar	25.93	6
Karnataka	22.22	7
Rajasthan	11.11	8



## Chapter 1

### Introduction

There is a growing realization around the world that decentralisation of administrative, political and fiscal responsibilities to the local units of governments are one of the best ways to deepen democracy and increase efficient delivery of local public goods. Moreover, fiscal decentralisation can help in mobilising resources by introducing local solutions and promote equitable growth by mainstreaming the poor in development—thus enmeshing welfare and development concerns together and making the processes of governance more participatory. A careful analysis of the recent developments shows a distinct movement away from over-governance as well as from over-centralisation.

Since India has kept pace with the trend early stage, through consensus and compromise local governments crept into the statute book in 1993. Part IX was inserted by the Constitution (73<sup>rd</sup> Amendment) Act, 1991 w.e.f. 24 April 1993 for panchayats and Part IXA was inserted by the Constitution (74<sup>th</sup> Amendment) Act, 1992 w.e.f. 1 June 1993 for municipalities,<sup>2</sup> making state legislatures responsible for devolving power and authority to local governments in order to enable them to carry out devolved responsibilities.

Notwithstanding, local governments both panchayats and municipalities, are not completely autonomous of the state, like they used to be once upon a time in recorded history—for which they have been praised by the scholars and thinkers. The present panchayats are part of state governance structure. A fresh lease of life is breathed into them by the respective states, of course under the general direction in the Constitution. They are actually organised under the Dillon's principle, enunciated in late nineteenth century, which holds that local governments are derivative of the state. They are created by the state and they can be decimated by it. It is true that the march of history cannot be reversed easily, yet we cannot turn a blind eye to the fact that the whole structure has been evolved by the state. The local governments in India carry out the functions and responsibilities assigned to them with devolution of power and authority for the purpose. The same was the case before 73<sup>rd</sup> and 74<sup>th</sup> Amendments. The difference is that states have now constitutional obligation to keep them alive and not to relegate them to abeyance for indefinite period. Yet, it is for the states to create an enabling environment in which they can function like self-governing units.

The Constitution of India has clearly demarcated legislative areas between the Union and the states. It is within the province of state list of the Schedule VII, under Article 246, that local governments have to function. Despite Constitutional status being accorded to panchayats, it is the state legislature which empowers panchayats in any real sense. It is under the Conformity Acts<sup>3</sup> of the states that panchayats are governed in the respective states and in turn they govern public affairs in their jurisdictions.

Under the Constitution Amendment Act (CAA), the state legislature is supposed to devolve responsibilities, powers and authorities to panchayats to enable them to function as institutions of self–

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<sup>2</sup> Earlier, in the original text, Part IX with Article 243 dealing with territories in Part D of the First Schedule was repealed by the Seventh Amendment 1956 for reorganization of the States. That is the reason all articles in Part IX and Part IXA are numbered with 243.

<sup>3</sup> The 73<sup>rd</sup> Constitutional Amendment Act is the Union Act to establish the third tier of governments and the conformity Acts are state legislations.

government. The legislature of a State may authorise the panchayats to levy, collect and appropriate certain taxes, duties, tolls and fees, etc., and also assign to them the revenues of certain state level taxes subject to such conditions as are imposed by the state government. Further, grants-in-aid may also be provided to these bodies.

New fiscal arrangements necessitates every state under Article 243 I to constitute, at a regular interval of five years, a State Finance Commission (SFC), and assign it the task of reviewing the financial position of panchayats and making recommendations on the sharing and assignment of various taxes, duties, tolls, fees, etc. and grants-in-aid to be given to the panchayats from the consolidated fund of the state. The Conformity Acts of the CAA are required to provide for the composition of the commission, the qualifications for its members and the manner of their selection. Every recommendation of the commission is to be laid before the legislature of the respective state.

It is 21 years now since Part IX was incorporated into the Constitution. During the last two decades, one could find enough reasons to cheer. Conformity Acts have been enacted in all the states. Regular elections for panchayats have been conducted in all states<sup>4</sup>. All states have constituted State Finance Commission. Some states have constituted even their fourth generation SFC. These positive developments notwithstanding, panchayats in almost all states continue to be starved of finances causing major impediment in their growth and effective functioning. Seen with the expanding role and responsibilities of the panchayats, the problem becomes compounded after the CAA became effective.

Generally, the functional responsibilities are closely linked with the financial powers delegated to the local government, however, in practice there is a mismatch between the two, leading to a severe fiscal stress at the local level. Sufficient panchayats' own revenues are not enough even to meet their O&M requirements; therefore they are dependent on the higher tiers of government to finance their activities. The role of SFCs in this context becomes critical in examining not only the revenue sharing arrangements between the state governments and their panchayats, but also the entire range of subjects concerning assignment of taxes, transfers of power and such other subjects for improving the financial health of the panchayats.

It is pertinent to mention here that substantial funds are being transferred to the panchayats through the Centrally Sponsored Schemes (CSSs) and Additional Central Assistances (ACAs). For long, these CSS transfers were administered and utilised mainly by line departments. In recent years, the panchayats are being increasingly recognised as implementing institutions for the Plan schemes of line ministries. The most important among these is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), where the panchayats at the district, intermediate and village levels have been given specific roles and responsibilities as principal authorities for planning and implementation and 50 per cent of the works in terms of funds are to be executed through panchayats. For other works also they have been entrusted with some responsibilities.

Several schemes have since started assigning a range of responsibilities to the panchayats and depend upon them for grassroots implementations. In addition, there are several important flagship programmes of the Union, which aim at provisioning basic essential services across the country through the panchayats. Institutional mechanism is expected to provide centrality to the panchayats in their planning and implementation.

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<sup>4</sup>Jammu and Kashmir is the last state to conduct its first election for panchayats.

Against this backdrop, this study aims at rating the states and union territories (UTs) of India – and quantifies the current environment that the states/UTs have created under the framework of the Constitution for devolution of functions, finances and functionaries to various levels of panchayats. In addition, the dimensions of capacity building and accountability have been added. In other words, the study endeavours to quantify the current environment that the panchayats function under. The attempt is to assess how ‘free’ the panchayats are to take independent decisions and implement them.

No doubt the actual performance of the individual panchayats differs and depends upon many other factors; these factors are specific to the state and different level of the panchayats. The enabling environment is also determined by village level factors. To reiterate, the study seeks to measure the ‘enabling environment’ for the functioning of the panchayats that state governments have been able to create.

### **The Objective**

At the initial stage of its inception, the Ministry of Panchayati Raj in 2004 organised seven Round-tables of Ministers In-charge of Panchayats in states. In the Fifth Round-table held at Srinagar on October 28-29, 2004, it was agreed upon to have the Annual Reports on the state of the Panchayats including the preparation of a Devolution Index in the format indicated by Alok and Bhandari (2004).

Subsequently, in 2005-06, the Ministry of Panchayati Raj, Government of India, introduced the Panchayats Empowerment and Accountability Incentive Scheme (PEAIS) with the objective to (a) Incentivise states to empower the panchayats, and (b) Incentivise panchayats to put in place accountability systems to make their functioning transparent and efficient. The scheme, in the year 2012, was merged with the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA). Entire funds under the PEAIS and a slice of the RGPSA funds are allocated to states and UTs in accordance with their performance as measured in the Panchayat Devolution Index formulated by an independent institution. For three years, i.e. 2006-07, 2007-08 and 2008-09, the National Council of Applied Economic Research (NCAER) developed the Devolution Index based on the work of Alok and Bhandari (2004). For subsequent four years that is for 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 the Indian Institute of Public Administration (IIPA) was entrusted to carry out the assessment. The Institute was also suggested to measure incremental panchayat devolution since 2010-11.

Initially, the index used the “3F” structure and measured the extent to which the states had transferred functions, finances, and functionaries to the panchayats. In 2008, an important change was introduced in the estimation of DI by including ‘framework’ as the fourth dimension to the existing 3F structure developed by Alok and Bhandari (2004). The framework dimension tests if states/UTs have fulfilled the mandatory provisions of the Constitution. These mandatory requirements are to be fulfilled by the states/UTs so that they can be qualified to be in the estimation of Devolution Index. This was followed with the change in the subsequent study conducted by the Indian Institute of Public Administration, New Delhi in 2009-10.

- (i) Establishing the State Election Commission,
- (ii) Holding regular panchayats elections,
- (iii) Reservation of seats for SCs/STs and women
- (iv) Establishing state finance commissions (SFCs) at regular intervals, and
- (v) Setting up of district planning committees (DPC).

In 2012, the study went beyond the dimension of “4Fs” and two new key dimensions were added, viz. Capacity Building and Accountability to achieve the goals of RGPSA. To achieve these goals, the following objectives have been set for the study:

- To measure the performance of States/UTs in terms of the devolution of 3Fs in addition to strengthening institutional ‘framework’ (4<sup>th</sup> F) as well as the capacity of panchayats.
- To examine the accountability framework for panchayats, put in place by States/UTs.
- To create cumulative and incremental indices to measure the devolution, frameworks for capacity building and accountability of panchayats.
- To rank states and UTs along the above indices.

The subsequent sections deal with the above issues in detail. Findings are presented in the last chapter.

## Chapter 2

### Panchayats : Structure, Functions and Finance

#### *The Legal Framework*

With the passage of the CAA, panchayats were recognised in the statute book as institutions of self-government<sup>5</sup>. Under the CAA, it became mandatory for each state to enact conformity acts and make the following provisions:

- The establishment of three-tier panchayats with elected members at village, intermediate, and district levels. The intermediate rung need not be constituted in states with a population under 2 million.
- Direct elections to all seats in panchayats at all levels.
- One-third of seats reserved for women and marginalised communities—scheduled castes (SCs) and scheduled tribes (STs)—in all panchayats, according to the population. This provision also applies to the office of chairperson.
- A uniform five-year term in all panchayats, with elections held within six months in cases of premature dissolution.
- Constitution of a State Election Commission (SEC) to supervise and organise free and fair elections to panchayats at all levels.
- Setting up of a State Finance Commission (SFC) at a regular interval of five years to review and revise the financial position of panchayats.
- Establishment of District Planning Committees (DPCs).
- Establishment of a *Gram Sabha* (village assembly) in each village, to exercise such powers and perform such functions at the village level as the state may provide by law.

The state is also expected to assign responsibilities on various matters including those listed in the Eleventh Schedule(see Box 2). The state is also required to devolve concomitant powers and authority to panchayats to carry out the responsibilities conferred on them.

#### **Box 1 Classification of Functions Listed in the 11th Schedule**

##### Core functions

- Drinking water
- Roads, culverts, bridges, ferries, waterways, and other means of communication
- Rural electrification, including distribution of electricity
- Health and sanitation, including hospitals, primary health centers, and dispensaries
- Maintenance of community assets

##### Welfare functions

- Rural housing
- Non-conventional energy sources
- Poverty alleviation programme
- Education, including primary and secondary schools
- Technical training and vocational education

<sup>5</sup> Special legal dispensation under the Panchayats (Extension of the Scheduled Area) Act 1996 is given to the panchayats in tribal areas of nine states: Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, and Rajasthan. Accordingly, the provisions of the CAA have been extended to those areas, with certain modifications respecting the traditional institutions of the areas and recognising the rights of tribal population over natural resources (Singh 2000).

- Adult and informal education
  - Libraries
  - Cultural activities
  - Family welfare
  - Woman and child development
  - Social welfare, including welfare of the handicapped and mentally retarded
  - Welfare of the weaker sections, and in particular, of the Scheduled Castes and Scheduled Tribes
  - Public distribution system
- Agriculture and allied functions
- Agriculture, including agricultural extension
  - Land improvement, implementation of land reforms, land consolidation, and soil conservation
  - Minor irrigation, water management, and watershed development
  - Animal husbandry, dairying, and poultry
  - Fisheries
  - Social forestry and farm forestry
  - Minor forest produce
  - Fuel and fodder
  - Markets and fairs
- Industries
- Small-scale industries, including food processing industries
  - *Khadi*, village, and cottage industries.

Note: The Eleventh National Finance Commission gave these classifications to the functions enumerated in the 11th Schedule

Table: 2.1: Number of Elected Institutions in India by State/UTs

(as on 1 March 2014)

Sl. No.	State	Number of Seats in:		Number of Municipalities	Number of Panchayats			Area per Village Panchayat (Km <sup>2</sup> )	Rural Population per Village Panchayat
		Parliament	State Assembly		District (a)	Block (b)	Village (c)		
1	Andhra Pradesh	42	384	124	22	1097	21590	13	2566
2	Arunachal Pradesh	2	60	1	17	177	1779	47	489
3	Assam	14	126	89	21	185	2202	36	10543
4	Bihar	40	339	138	38	531	8402	11	8845
5	Chhattisgarh	11	90	162	18	146	9734	14	1710
6	Goa *	2	40	14	2	n.a.	190	19	3564
7	Gujarat	26	182	168	26	223	13996	14	2268
8	Haryana	10	90	76	21	119	6083	7	2471
9	Himachal Pradesh	4	68	49	12	77	3243	17	1691
10	Jammu & Kashmir	6	125	82	22	143	4128	54	1848
11	Jharkhand	14	81	39	24	259	4423	18	4737
12	Karnataka	28	299	219	30	176	5629	34	6198
13	Kerala	20	141	58	14	152	978	40	24105
14	Madhya Pradesh	29	231	338	50	313	23006	13	1929
15	Maharashtra	48	367	249	33	351	27896	11	1999
16	Manipur	2	60	28	4	n.a.	161	139	9881
17	Meghalaya (d)	2	60	6	3	0	0	0	0
18	Mizoram (d)	1	40	1	0	0	707	30	633
19	Nagaland (d)	1	60	19	0	0	1110	15	1484
20	Odisha *	21	147	103	30	314	6232	25	5020
21	Punjab	13	117	135	22	146	13041	4	1234
22	Rajasthan	25	200	138	33	248	9177	37	4718
23	Sikkim	1	32	12	4	n.a.	341	21	1411

24	Tamil Nadu	39	234	719	31	385	12,524	10	2788
25	Tripura	2	60	13	4	23	511	21	5193
26	Uttarakhand	5	70	63	13	95	7982	7	791
27	Uttar Pradesh *	80	512	628	75	821	51,914	5	2536
28	West Bengal	42	295	127	18	333	3349	27	17244
	<b>Union Territories</b>								
29	Andaman & Nicobar *	1	n.a.	n.a.	2	7	69	120	3478
30	Chandigarh	1	n.a.	n.a.	1	1	12	10	7677
31	Dadra & Nagar Haveli	1	n.a.	n.a.	1	n.a.	11	45	15457
32	Daman & Diu *	1	n.a.	n.a.	1	n.a.	14	8	7204
33	NCT of Delhi (e)	7	70	n.a.	n.a.	n.a.	n.a.	0	0
34	Lakshadweep *	1	30	n.a.	1	n.a.	10	3	3368
35	Puducherry *	1	30	n.a.	NA	10	98	5	3324
	<b>India</b>	<b>543</b>	<b>4640</b>	<b>3798</b>	<b>593</b>	<b>6332</b>	<b>240542</b>	<b>14</b>	<b>3087</b>

Source: Alok (2013), Information submitted by State Governments, Provisional Population Totals Paper 1: Census of India, 2011, Parliament of India, available at <http://164.100.47.132/LssNew/Members/Statewiselist.aspx>, accessed on March 27, 2013

a. It is also known as *Zilla Panchayat (ZP)/Parishad* in many states.

b. The name of the intermediate rung differs from one state to another. It is known as *Mandal Parishad* in Andhra Pradesh, *Anchal Samiti* in Arunachal Pradesh, *Anchalik Panchayat* in Assam, *Janpad Panchayat* in Chhattisgarh and Madhya Pradesh, *Taluka Panchayat* in Gujarat and Karnataka, Panchayat Union in Tamil Nadu, Block Panchayat in Uttar Pradesh, Uttarakhand and Kerala, and *Panchayat Samiti* in many states, including Bihar, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Punjab and Rajasthan.

c. In almost all states, it is known as the *gram panchayat*.

d. For traditional village and autonomous district councils that exist in these states.

e. Panchayat has yet to be revived.

Note: NA: Data not available from given sources,

n.a. : not applicable,

\* : Data pertain to previous years

The legislature of a state may authorise the panchayats to levy, collect, and appropriate certain duties and fees and may assign to them the revenues of certain state-level taxes, subject to such conditions as are imposed by the state government. Further, grants-in-aid may also be provided to these bodies. As a result of the CAA, the numbers of panchayats stands at 2,47,467 of which 2,40,542 are village panchayats, 6,332 are intermediate panchayats, and 593 are district panchayats (Table 2.1).

The addition of these democratic institutions has broadened the Indian federal system. The panchayats are seen as the third tier of government. They have also made India the most representative democracy in the world. Today, about 2.9 million representatives stand elected to the three levels of panchayats. About 42.30 per cent are women, 13.70 per cent belong to SCs and 14.6 percent are STs (Table 2.2). At the village panchayat level, each elected person's constituency comprises about 340 people or 70 families (Government of India 2006).

Table 2.2: Representation of Weaker Sections and Women in Panchayats

Sl. No.	State	(as on 1 April 2014)						
		Women Representatives		SC Representatives		ST Representatives		Total (Including General)
		Number	Reservation (%)	Number	Reservation (%)	Number	Reservation (%)	Number
1	Andhra Pradesh	129028	50.0	48720	18.88	23610	9.2	257,055
2	Arunachal Pradesh	3889	33.0	NA	NA	9372	99	9,372
3	Assam	9903	50.0	1344	4.66	886	3.6	26,844
4	Bihar	68066	50.0	22201	16.36	1053	0.8	136,130
5	Chhattisgarh	86538	50.0	19753	11.00	63864	32.0	158,776
6	Goa*	504	33.0	NA	NA	92	8.0	1,559
7	Gujarat	40015	33.0	8247	7.00	25967	14.0	120,048
8	Haryana	24876	33.3	14684	20.00	NA	NA	68,152
9	Himachal Pradesh	13947	52.6	7467	24.70	1299	6.6	27,832
10	Jammu & Kashmir	9905	33.0	2708	8	3723	11.0	33,847
11	Jharkhand	31157	50.0	5870	11.00	18136	34.1	53,207
12	Karnataka	41577	50.0	17723	18.46	10275	9.6	95,307
13	Kerala	9907	50.0	867	5.00	187	1.7	19,107
14	Madhya Pradesh	204111	50.0	60726	15.00	113642	27.5	203,221
15	Maharashtra	101569	50.0	22201	11.25	30236	14.1	396,918
16	Manipur	836	51.0	39	1.96	36	2.6	1,724
17	Odisha*	78482	50.0	16390	16.25	22240	22.1	100,863
18	Punjab	33484	33.0	30923	25.79	NA	NA	96,576
19	Rajasthan	60351	50.0	19542	17.20	15342	12.6	120,727
20	Sikkim	549	50.0	77	7.00	418	38.0	1,099

21	Tamil Nadu	40075	35.0	30270	24.00	1841	1.0	119,399
22	Tripura	2044	50.0	1508	27.11	309	5.1	5,676
23	Uttarakhand	34494	50.0	12230	19.80	2067	3.1	61,452
24	Uttar Pradesh*	309511	39.0	185159	24.0	NA	NA	773,980
25	West Bengal	19762	50.0	17605	41.67	4168	14.3	58,865
<b>Union Territories</b>								
26	Andaman & Nicobar *	289	33.8	NA	NA	NA	NA	876
27	Chandigarh	57	34.4	28	18.66	NA	NA	149
28	Dadra & Nagar Haveli	47	36.9	3	2.00	112	81.8	125
29	Daman & Diu*	41	33.0	4	1.00	16	11.0	111
30	Lakshadweep*	41	33.0	NA	NA	110	100	110
31	Puducherry *	370	36.2	239	21.00	NA	NA	1,021
<b>India</b>		<b>1355425</b>	<b>43.00</b>	<b>546528</b>	<b>15.00</b>	<b>349001</b>	<b>19.28</b>	<b>2950128</b>

Source: Information submitted by State Governments

Note: Meghalaya, Mizoram and Nagaland are excluded from the purview of 73<sup>rd</sup> Amendment Act of the Constitution.

Note: NA: Data not available from given sources

n.a. : Not applicable,

\* : Data pertain to previous years

Table: 2.3 Population per Elected bodies in India by State/UTs

(as on 1 April 2014)

Sl.No.	State	Number of Elected Representatives to:					Population per Elected Representatives to:				
		Parliament	State Assembly	Panchayats			Parliament	State Assembly	Panchayats		
				District	Block	Village			District	Block	Village
1	Andhra Pradesh	42	384	118	16537	240400	2015846	220483	469501	3350	230
2	Arunachal Pradesh	2	60	177	1779	7416	691306	23044	4916	489	117
3	Assam	14	126	420	2202	24222	2226377	247375	55277	10543	958
4	Bihar	40	339	1162	11501	123467	2595116	306208	63956	6462	602
5	Chhattisgarh	11	90	321	2783	155672	2321836	283780	51863	5982	107
6	Goa*	2	40	50	n.a.	1509	728862	36443	13542	n.a.	449
7	Gujarat	26	182	900	4397	114751	2322447	331778	35268	7219	277
8	Haryana	10	90	395	2891	64866	2535308	281701	38049	5199	232
9	Himachal Pradesh	4	68	251	1682	25899	1714127	100831	21842	3259	212
10	Jammu & Kashmir	6	125	NA	NA	33847	2091488	100391	0	0	225
11	Jharkhand	14	81	445	4423	48339	2354731	406991	47083	4737	433
12	Karnataka	28	299	1013	3659	90635	2183239	204451	34441	9535	385
13	Kerala	20	141	332	2095	16680	1669384	236792	71007	11253	1413
14	Madhya Pradesh	29	231	846	6827	389245	2503364	314275	52460	11316	225
15	Maharashtra	48	367	1961	3922	197338	2341104	306193	28443	8170	143
16	Manipur	2	60	60	n.a.	1664	1360878	45363	26514	n.a.	956
17	Meghalaya (d)	2	60	n.a.	n.a.	n.a.	1482004	49400	0	0	0
18	Mizoram (d)	1	40	n.a.	n.a.	n.a.	1091014	27275	0	0	0
19	Nagaland (d)	1	60	n.a.	n.a.	n.a.	1980602	33010	0	0	0
20	Odisha*	21	147	854	6233	93776	1997493	285356	36636	5020	334
21	Punjab	13	117	324	2731	93521	2131095	236788	49681	5894	172
22	Rajasthan	25	200	1014	5279	114434	2744840	343105	42695	8201	378

23	Sikkim	1	32	110	n.a	989	607688	18990	4373	n.a.	486
24	Tamil Nadu	39	234	686	6856	111857	1849717	308286	50906	5094	312
25	Tripura	2	60	82	299	5295	1835516	61184	32359	8874	501
26	Uttarakhand	5	70	413	3295	57744	39916304	2851165	318785	39957	2280
27	Uttar Pradesh*	80	512	2680	65000	706300	126459	19759	2355	97	9
28	West Bengal	42	295	825	9240	48800	2174946	309653	69999	6250	1183
<b>Union Territories</b>											
29	Andaman & Nicobar *	1	NA	31	69	776	379944	NA	7740	3478	309
30	Chandigarh	1	NA	10	15	124	1054686	NA	9212	6141	743
31	Dadra & Nagar Haveli	1	NA	11	n.a	114	342853	NA	15457	n.a.	1491
32	Daman & Diu*	1	NA	34	n.a	77	242911	NA	2966	n.a.	1310
33	NCT of Delhi (e)	7	70	n.a.	n.a.	n.a.	2393319	239332	n.a.	n.a.	n.a.
34	Lakshadweep*	1	30	25	n.a	85	64429	2148	1347	n.a.	396
35	Puducherry *	1	30	NA	108	913	1244464	41482	0	3016	357
	<b>All India (28 states)</b>	<b>543</b>	<b>4640</b>	<b>15550</b>	<b>159901</b>	<b>2770755</b>	<b>2723306</b>	<b>266872</b>	<b>48784</b>	<b>6412</b>	<b>556</b>

Source: Alok (2013), Information submitted by State Governments, Provisional Population Totals Paper 1: Census 2011, Number of Seats in State Assembly, available at <http://164.100.47.132/LssNew/Members/Statewiselist.aspx>, accessed on March 27, 2013.

Note: NA: Data not available from given sources

n.a. : not applicable,

\* data pertain to previous years

d) For traditional gram and autonomous district councils that exists in these states

(e) Panchayat has yet to be revived

Table 2.4: Representative Democracy in India and Affirmative Action

(as on 1 April 2014)

SI. No.	States/UTs	Elections to panchayats held	Percentage of Elected Women Representatives			Percentage of Elected SCs			Percentage of Elected STs			Percentage of Elected OBCs		
			District	Block	Gram	District	Block	Gram	District	Block	Gram	District	Block	Gram
1	Andhra Pradesh	1995, 2001, 2006, 2013	50.0	50.0	50.0	18.9	18.9	18.9	9.2	9.2	9.2	34	34	34
2	Arunachal Pradesh	2003, 2008, 2013	33.0	33.0	33.0	NA	NA	NA	99.0	99.0	99.0	NA	NA	NA
3	Assam	2001, 2007, 2013	50.0	50.0	50.0	2.4	3.6	5.2	3.6	3.6	3.6	NA	NA	NA
4	Bihar	2001, 2006, 2011	50.0	50.0	50.0	16.5	16.3	16.3	0.8	0.8	0.8	20	20	20
5	Chhattisgarh	1995, 2000, 2005, 2010	50.0	50.0	50.0	11.0	11.0	11.0	32.0	32.0	32.0	16	16	16
6	Goa *	1997, 2002, 2007, 2012	33.0	n.a.	33.0	NA	n.a.	NA	12.0	n.a.	12.0			
7	Gujarat	1996, 2001, 2007, 2010, 2013	33.0	33.0	33.0	7.0	7.0	7.0	14.0	14.0	14.0	10	10	10
8	Haryana	1995, 2000, 2005, 2010	33.3	33.3	33.3	20.0	20.0	20.0	NA	NA	NA	NA	NA	NA
9	Himachal Pradesh	1995, 2000, 2005, 2010	53.0	52.8	51.1	25.0	25.0	22.0	7.6	6.1	6.2	NA	NA	NA
10	Jammu & Kashmir	2001, 2006, 2011	NA	NA	33.3	NA	NA	8.0	NA	NA	11.0	NA	NA	NA
11	Jharkhand	2010	50.0	50.0	50.0	12.4	11.6	10.9	33.3	35.2	34.0	NA	NA	NA
12	Karnataka	1995, 2000, 2005, 2010	50.0	50.0	50.0	18.4	18.4	18.6	8.5	9.5	10.8	NA	NA	NA
13	Kerala	1995, 2000, 2005, 2010	50.0	50.0	50.0	5.4	3.7	4.6	1.0	3.7	0.6	NA	NA	NA
14	Madhya Pradesh	1994, 1999, 2000, 2004, 2005, 2010	50.0	50.0	50.0	15.0	15.0	15.0	26.1	27.8	28.7	25.0	25.0	25.0
15	Maharashtra	2000, 2005, 2010, 2013	50.0	50.0	50.0	11.5	11.4	11.0	13.9	13.6	14.9	27.0	27.0	27.0
16	Manipur	1997, 2002, 2007, 2012	53.0	NA	51.0	1.6	NA	2.3	3.0	NA	2.2	NA	NA	NA
17	Meghalaya (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	NA	NA	NA
18	Mizoram (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	NA	NA	NA

19	Nagaland (d)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	NA	NA	NA
20	Odisha *	1997, 2002, 2007, 2012	50.0	50.0	50.0	16.3	16.3	16.3	22.1	22.1	22.1	NA	NA	NA
21	Punjab	1994, 1998, 2003, 2008, 2013	33.0	33.0	33.0	33.6	11.1	32.6	NA	NA	NA	20.0	20.0	20.0
22	Rajasthan	1995, 2000, 2005, 2010	50.0	50.0	50.0	17.2	17.2	17.2	12.6	12.6	12.6	21.0	21.0	21.0
23	Sikkim	1997, 2002, 2007, 2012	50.0	NA	50.0	8.0	NA	7.0	42.0	NA	38.0	NA	NA	NA
24	Tamil Nadu	1996, 2001, 2006, 2011	35.0	36.0	34.0	23.0	24.0	25.0	1.0	1.0	1.0	NA	NA	NA
25	Tripura	1994, 1999, 2004, 2009	50.0	50.0	50.0	28.0	26.8	26.5	4.9	5.0	5.5	NA	NA	NA
26	Uttarakhand	1996, 2003, 2008	50.0	50.0	50.0	19.6	19.9	19.9	2.7	3.4	3.4	14.0	14.0	14.0
27	Uttar Pradesh *	1995, 2000, 2005, 2010	58.0	50.0	39.0	26.0	23.0	24.0	0.0	0.0	0.0	NA	NA	NA
28	West Bengal	1995, 1998, 2003, 2008, 2009	50.0	50.0	50.0	41.0	42.0	42.0	23.0	10.0	10.0	NA	NA	NA
	<b>Union Territories</b>													
29	A & N Islands *	1995, 2000, 2005, 2010	32.0	33.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA	NA
30	Chandigarh	1999, 2003, 2008, 2012	30.0	40.0	33.3	20.0	20.0	16.0	NA	NA	NA	NA	NA	NA
31	Dadra & Nagar Haveli	1995, 2000, 2005, 2010	36	NA	37.4	0.0	NA	2.0	75.0	NA	88.6	NA	NA	NA
32	Daman & Diu *	1995, 2000, 2005, 2010	33	NA	33.0	1.0	NA	1.0	11.0	NA	11.0	NA	NA	NA
33	NCT of Delhi (e)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	NA	NA	NA
33	Lakshadweep *	1997, 2002, 2007, 2012	33.0	NA	33.0	NA								
34	Puducherry *	2006	NA	37.0	36.0	NA	18.0	24.0	NA	0.0	0.0	NA	NA	NA
	<b>All India</b>		<b>44.1</b>	<b>45.0</b>	<b>42.9</b>	<b>16.6</b>	<b>17.1</b>	<b>15.7</b>	<b>19.9</b>	<b>17.1</b>	<b>19.6</b>	<b>20.8</b>	<b>20.8</b>	<b>20.8</b>

Source: Information submitted by State Governments, Provisional Population Totals Paper 1: Census 2011, State Election Commission

(d) For traditional gram and autonomous district councils that exists in these states

(e) Panchayat has yet to be revived

Note: NA: Data not available from given sources

n.a. : Not applicable

\* Data pertain to previous years

## Functional Domain

Article 243G of the Constitution empowers panchayats to function as institutions of self-government for the purposes of preparing plans and implementing schemes for economic development and social justice in their respective areas for various matters, including those listed in the 11th Schedule which is merely illustrative and indicative. Unlike the division of powers and functions enumerated in the Union List and State List, no clear demarcation exists between the state and panchayats. It is for the state legislature to make laws regarding the devolution of powers and functions to the panchayats.

Almost all states and union territories claim that they have transferred responsibilities in varying degrees to the panchayats, by enacting laws in conformity with the CAA. However, the functional domain of panchayats pertains only to traditional civic functions in several states. In those states where either the intermediate panchayats or the district panchayats were absent for decades, the functional domain of panchayats does not include adequate developmental responsibilities. States where panchayats have existed for a long time, have repeated the provisions of the old statutes in their new laws with few adjustments. Moreover, many state governments have not framed relevant rules or guidelines as a follow-up measure. A few states realised that the transfer of additional functions requires the transfer of concomitant funds and functionaries to panchayats, enabling them to perform the specified responsibilities. However, panchayats are not very clear about the role they are expected to play in the new federal setup. Almost all of the subjects enumerated in the 11th Schedule are state concurrent, involving duplication and overlapping (Alok, 2006).

Another challenge before the state government has been the allocation of activities to the appropriate tier of the panchayat system. Traditionally, the lowest-level panchayat—the village panchayat—has been the most active in almost all states. Generally, the village panchayats carry out major functions, including core functions, whereas intermediate and district panchayats in most states are “allotted supervisory functions or act mainly as executing agents for the state government” (Jha 2004, 3). A task force of the Union Ministry of Rural Development on devolution of powers and functions to Panchayats has developed an activity-mapping model on the principle of subsidiarity, which states that any activity that can be undertaken at a lower level must be undertaken at that level in preference to being undertaken at any higher level.<sup>6</sup>

In most states, the functions devolved to Panchayats are subjects rather than activities or sub activities. Only some states like Andhra Pradesh, Kerala, Gujarat, Karnataka, Madhya Pradesh have broken the 29 subjects into activities and sub activities. In Kerala, complementary legislation has even been issued to change the roles of key line agencies (World Bank 2004).

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<sup>6</sup>. The Union Ministry of Panchayati Raj, created on May 27, 2004, responsible for the monitoring of the implementation of the CAA, provides technical assistance and expertise if sought by the state governments to accomplish activity mapping within the time frame; there was a consensus, during the roundtables, among all states to complete activity mapping.

## *Finances*

It is a general perception that panchayats are financially and technically under equipped to perform even the core functions, much less the welfare functions and other economic functions related to agriculture and industries (see Box 1).

Hence, many of the core functions that traditionally belonged to panchayats—drinking water, rural roads, street lighting, sanitation, primary health, and so forth—have not been transferred fully in some states; they are being performed by the line departments of the state Government or the parallel *parastatals*. As a result, the per capita total expenditure of panchayats remains abysmally low in all states except Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Karnataka, Kerala, Maharashtra, and Tamil Nadu.<sup>7</sup>

### **Own-Source Taxes**

The power of panchayats to impose taxes was considered imperative to enshrine in the constitution under article 243H, to impart certainty, continuity, and strength to panchayats. The Union Minister of State for Rural Development, G Venkat Swamy said while moving the Constitution (73rd Amendment) Bill in Parliament,

*“Constitution (Seventy-third) Amendment cast a duty on the centre as well as the states to establish and nourish the village panchayats so as to make them effective self-governing institutions....We feel that unless the panchayats are provided with adequate financial strength, it will be impossible for them to grow in stature”.*

Devolution of taxes to panchayats can easily be linked with the activities assigned to them, which vary from state to state. From various lists including the list of the 11th Schedule, certain basic functions could be said to be in the exclusive domain of panchayats. Even these essential services require huge funds. To this end, the devolution of taxes to the three tiers of the panchayats needs to be linked to the activity mapping for the devolution of functions and functionaries.

Table 2.5 shows that a variety of taxes have been devolved to different levels of panchayats. The relative importance of these taxes varies from state to state. The intermediate and district panchayats are endowed with powers to collect very few taxes, whereas village panchayats are given substantial taxing powers. In a number of cases, under the tax rental arrangement, the village panchayats collect taxes and pass them on to the higher level of panchayats (Jha 2004). Property tax, cess on land revenue, surcharge on additional stamp duty, tolls, tax on professions, tax on advertisements, non-motor vehicle tax, octroi, user charges, and the like contribute the maximum to the small kitty of own-source revenue, which contributes only 6 to 7 per cent of the total expenditure of panchayats (Alok 2006). In most states, the property tax contributes the maximum revenue. However, this tax remains inelastic because of inefficient administration in its collection. Its assessment is based on the annual rental value of taxation and its associated evil: under declaration of rentals. However, some progressive states have reformed the tax structure and use the unit area method in determining the tax base.

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17. However, the data pertaining to local governments in the reports of National Finance Commissions are not consistent. It must be kept in mind that fiscal data for Panchayats from any two sources are not comparable.

Table 2.5: Revenue Power of Panchayats in States at Each Tier

Tax or Fee/States	Andhra Pradesh	Assam	Chhattisgarh	Goa	Haryana	Himachal Pradesh	Jharkhand	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Punjab	Sikkim	Tamil Nadu	Uttarakhand	Uttar Pradesh	West Bengal	Andaman & Nicobar Island	Chandigarh
House/Property Tax	G	G	G	G	G	G		G	G	G	G		G	G	D	D	G	G	G
Surcharge on house / property tax	G	G	G	G	G			G	G	G			G					G	
Tax on agriculture land for specific purpose		G						G					G	G					
Cess on land revenue or surcharge			D										G		G				
Surcharge on additional stamp duty			D					B											
Tax on professions, trades, calling, and so forth		GB	G	G					G	GB			GD	G			G	G	
Octroi				G										G					
Entertainment tax		GB	GB	G				G	G	B			G		B			G	
Pilgrim tax or fees			GB					G		G				G			GB	G	
Tax on advertisements	G		GBD	G				G	G	G				G			G		
Education cess								G						G					
Tolls		G	GB		B			G						G			GBD		
Tax on sale of										G							B		

Tax or Fee/States	Andhra Pradesh	Assam	Chhattisgarh	Goa	Haryana	Himachal Pradesh	Jharkhand	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Punjab	Sikkim	Tamil Nadu	Uttarakhand	Uttar Pradesh	West Bengal	Andaman & Nicobar Island	Chandigarh
firewood and slaughter houses																			
Tax on goods sold in a market, haat, fair, and so forth		G	G	G				G		GB			G	G	GD		G	G	
Tax on shops and services										GB							GB	G	
Vehicle tax		G	GBD	G				G		G				G			GB		
Animal tax	G	G	GB	G		G		G		GB				G				G	
Conservancy rate								G									GB		
Lighting rate	G		G			G		G		G							GBD	G	
Water rate	G		G			G		G		GD			G	G		G	GBD		
Drainage rate	G		G		G	G		G		G							G	G	
Special tax for community civic services or works				G	D	G		G		G							GBD		
Surcharge on any tax imposed by village panchayat			GB	G				G					G	G					
Shops Lease	GBD		GBD	G	GBD		D	G		GBD		GBD	G			G	GBD	G	G
Pond/Tank Lease	G				G			G		GBD		G		G		G	GBD		G

Tax or Fee/States	Andhra Pradesh	Assam	Chhattisgarh	Goa	Haryana	Himachal Pradesh	Jharkhand	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Punjab	Sikkim	Tamil Nadu	Uttarakhand	Uttar Pradesh	West Bengal	Andaman & Nicobar Island	Chandigarh
Sand Collection Charge																			
Minor Minerals Tax			GBD					G						G					
Village land lease	G		GBD		G			G				GBD	G	G					G
Fees for license for hat or market																			
Fees for running trade																			
Fees for running dangerous and offensive trade																			
Fees for license for fair or mela																	B		
Other Rent/Lease							GD												GB
Issue of certificates													G						
General & Sanitation tax											G								
Irrigation cess											D								
Mobile Towers in GPs			G																
Colonizer			G																
New Ghat							G												
Community Hall Rent							GBD												
Bus Stand Fee							D												

Tax or Fee/States	Andhra Pradesh	Assam	Chhattisgarh	Goa	Haryana	Himachal Pradesh	Jharkhand	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Punjab	Sikkim	Tamil Nadu	Uttarakhand	Uttar Pradesh	West Bengal	Andaman & Nicobar Island	Chandigarh
Dak Bungalow Rent							D												
Library cess														G					
Local cess														G					
Local cess surcharge														G					
D & O trade														G					
Shandy collection														G					
Avenue trees rent														G					
Tract rent														G					
Ferry rentals														G					
Fisheries rental														G					
Share Social Forestry														G					
Building Plan approval fee														G					
Factory licensing fees														B					
Choultry rentals														B					
Panchayat tax																G			

Tax or Fee/States	Andhra Pradesh	Assam	Chhattisgarh	Goa	Haryana	Himachal Pradesh	Jharkhand	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Punjab	Sikkim	Tamil Nadu	Uttarakhand	Uttar Pradesh	West Bengal	Andaman & Nicobar Island	Chandigarh
Fees for running trade																	B		
Fees for running dangerous & offensive trade																	BD		

Source: Information submitted by State Government

Note: G=GramPanchayat, B=Block Panchayat, D=District Panchayat. More than one sign indicates the concurrent power of Panchayats for the respective tax/non-tax

After own-source revenues, assigned revenues are the most efficient in the dispensation to panchayats. Such revenues are levied and collected by the state government and are passed on to panchayats for their use. Some states deduct collection charges. The practices in assigning revenue are marked by large interstate variation. However, typical examples of assigned revenue are the surcharge on stamp duty, cess or additional tax on land revenue, tax on professions, and entertainment tax. In many states, these taxes form part of the own-source revenue of panchayats.

### **Borrowing**

No reference is made in the CAA to loans and borrowing by panchayats. Urban local governments, with the approval of their state governments, have floated bonds in the market. In contrast to the general belief that panchayat are not empowered to raise loans (Gulati, 1994, Oommen 1995, Rajaraman 2003 and Jha 2000), Local Authorities Loans Act, 1914, a Central Act does exist enabling the grants of loans to local authorities including panchayats (Alok 2009).

### **Intergovernmental Fiscal Transfers**

Proceeds from internal sources contribute an abysmal share to the panchayat pool. Panchayats rely more on fiscal transfers from the state government in the form of shared taxes and grants. State taxes are shared according to the recommendations of the State Finance Commission (SFC). Constitution of the SFC at a regular interval of five years is a mandatory requirement for states.<sup>8</sup> Besides tax sharing, the SFC is assigned the task of reviewing the financial position of panchayats and making recommendations on the assignment of various taxes, duties, tolls, fees, and grants-in-aid to be given to panchayats from the consolidated fund of the state (See Alok 2004, 2008 for details).

The most critical function of the SFCs is to determine the fiscal transfer from the state to local governments in the form of revenue sharing and grants-in-aid. Since the 80th Constitutional amendment, following the recommendation of the 10th Finance Commission (1995–2000), a certain percentage of all union taxes has been devolved to the states. Many SFCs have also adopted this system for the following reasons: First, the system has a self-policy feature; the local body automatically shares in the buoyancy of state taxes and levies. Second, the system has built-in transparency, objectivity, and certainty; local bodies can anticipate, at the beginning of each fiscal year, their share in the divisible pool. Third, the system enables local bodies to understand the entire economy and take considered views to make their own annual budgetary exercises. In other words, it induces local bodies to generate their own revenue and mobilise additional resources. Fourth, the state government can be neutral in pursuing tax reforms without considering whether a particular tax is sharable with local bodies.

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<sup>8</sup>. The Conformity Acts of the CAA provide for the composition of the SFC, the qualifications of its members, and the manner of their selection. Every recommendation of the commission is to be laid before the state legislature. However, many states have not taken these provisions seriously. The 12<sup>th</sup> and 13<sup>th</sup> Finance Commission and the National Commission to Review the Working of the Constitution have advised those states to provide criteria for the membership of the SFC similar to the provisions of the Union Finance Commission (Alok 2004). Poor treatment of the SFC by many states compelled the prime minister to make this statement: “As far as funds are concerned, the awards of the State Finance Commissions should be fully honoured. There are reports that State Finance Commissions are not constituted, of them not giving awards in time, and of these awards not honoured when given, all of which erode panchayat raj” (Government of India 2004b). However, almost all states have received their first SFC report, and a few states have even received their fourth commissions’ report.

Table 2.6: Constitution and Submission of SFC Reports and Action Taken Thereon

Sl. No	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
<b>First State Finance Commission</b>					
1	Andhra Pradesh	June 1994	May 1997	Nov 1997	1997-98 to 1999-2000
2	Arunachal Pradesh	May 2003	April 2008	Under Consideration	Not Available
3	Assam	June 1995	Feb 1996	March 1996	1996-97 to 2000-01
4	Bihar	April 1994	Not submitted	Not submitted	
5	Chhattisgarh	Aug 2003	May 2007	July 2009	2005-06 to 2009-10
6	Goa	April 1999	June 1999	Nov 2001	2000-01 to 2004-05
7	Gujarat	Sep 1994	RLBs-July 1998, ULBs Oct 1998	Aug 2001	1996-97 to 2000-01
8	Haryana	May 1994	March 1997	Sep 2000	1997-98 to 2000-01
9	Himachal Pradesh	April 1994	Nov 1996	Feb 1997	1996-97 to 2000-01
10	Jammu & Kashmir	Jan 2008		Not submitted	2009-10
11	Jharkhand	Jan 2004	ULBs April 2009		2003-24 to 2008-09
12	Karnataka	June 1994	RLBs-July 1996, ULBs Jan 1996	March 1997	1996-97 to 2000-01
13	Kerala	April 1994	Feb 1996	Feb 1997	1996-97 to 2000-01
14	Madhya Pradesh	Feb 1995	July 1996	July 1996	1996-97 to 2000-01
15	Maharashtra	April 1994	Jan 1997	March 1999	1994-95 to 1996-97 #
16	Manipur	April 1994	Dec 1996	July 1997	1996-97 to 2000-01
17	Meghalaya	Exempt under Article 243 M			
18	Mizoram	Exempt under Article 243 M			
19	Nagaland	Exempt under Article 243 M			
20	Odisha	Nov 1996/Aug 1998 *	Dec 1998	July 1999	1997-98 to 2004-05
21	Punjab	April 1994	Dec 1995	Sep 1996	1996-97 to 2000-01
22	Rajasthan	April 1994	Dec 1995	March 1996	1995-96 to 1999-2000
23	Sikkim	July 1998	Aug 1999	June 2000	2000-01 to 2004-05
24	Tamil Nadu	April 1994	Nov 1996	April 1997	1997-98 to 2001-02

Sl. No	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
25	Tripura	RLBs-April 1994 ULBs-Aug 1996	RLBs-Jan1996 ULBs Sep 1999	Feb 1997 ULBs-Nov 2000	RLBs-1996-97 to till date ULBs-1999-00 to 2003-04
26	Uttar Pradesh	Oct 1994	Dec 1996	Jan 1998	1997-98 to 2000-01
27	Uttarakhand	March 2001	June 2002	July 2004	2001-02 to 2005-06
28	West Bengal	May 1994	Nov 1995	July 1996	1996-97 to 2000-01
<b>Second State Finance Commission</b>					
1	Andhra Pradesh	Dec 1998	Aug 2002	March 2003	2000-01 to 2004-05
2	Arunachal Pradesh	Aug 2012	June 2014		
3	Assam	April 2001	Aug 2003	Feb 2006	2001-02 to 2005-06
4	Bihar	June 1999	Nov 2003 (Final, five in series)	N.A	1998-99 to 2002-03
5	Chhattisgarh	July 2011	March 2013		2011-12 to 2016-17
6	Goa	Aug 2005	Dec 2007	N.A	2007-08 to 2011-12
7	Gujarat	Nov 2003	June 2006	Under Consideration	2005-06 to 2009-10
8	Haryana	Sep 2000	Sep 2004	Dec 2005	2001-02 to 2005-06
9	Himachal Pradesh	May 1999	Oct 2002	June 2003	2001-02 to 2006-07
10	Jammu & Kashmir	n.a.			
11	Jharkhand	Jan 2009			2009-10 to 2013-14
12	Karnataka	Oct 2000	Dec 2002	June 2006	2005-06 to 2010-11
13	Kerala	June 1999	Jan 2001	Jan 2004	2001-02 to 2005-06
14	Madhya Pradesh	June 1999	July 2003 (1st Report); Aug 2003 (2nd Report); Dec 2003 (3rd Report)	March 2005	2001-02 to 2005-06
15	Maharashtra	June 1999	March 2002	March 2006	1999-2000 to 2001-02
16	Manipur	Jan 2003	Nov 2004	Dec 2005	2001-02 to 2005-06 (award period extended to 1.03.2010)
17	Meghalaya	Exempt under Article 243 M			
18	Mizoram	Exempt under Article 243 M			

Sl. No	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
19	Nagaland	Exempt under Article 243 M			
20	Odisha	June 2003	Sep 2004	Aug 2006	2005-06 to 2009-10
21	Punjab	Sep 2000	Feb 2002	June 2002	2001-02 to 2005-06
22	Rajasthan	May 1999	Aug 2001	March 2002	2000-01 to 2004-05
23	Sikkim	July 2003	Sep 2004	Feb 2006	2005-06 to 2009-10
24	Tamil Nadu	March 2000	May 2001	May 2002	2002-03 to 2006-07
25	Tripura	Oct 1999	April 2003	June 2008	2003-04 to 2007-08
26	Uttar Pradesh	Feb 2000	June 2002	March 2004	2001-02 to 2005-06
27	Uttarakhand	April 2005	June 2006	Oct 2006	2006-07 to 2010-11
28	West Bengal	July 2000	Feb 2002	July 2005	2001-02 to 2005-06
<b>Third State Finance Commission</b>					
1	Andhra Pradesh	Dec 04	Jan 2009	Jan 2014	2005-06 to 2009-10
2	Arunachal Pradesh	Not Constituted			
3	Assam	Feb 2006	March 2008	Sep 2009	2006-07 to 2010-11
4	Bihar	July 2004	Nov 2007	March 2007	2003-04 to 2007-08
5	Chhattisgarh	n.a.	n.a.	n.a.	n.a.
6	Goa	n.a.	n.a.	n.a.	n.a.
7	Gujarat	Feb 2011	February 2014		2010-11 to 2013-14
8	Haryana	Dec 2005	Dec 2008	Aug 2008.	2006-2011
9	Himachal Pradesh	May 2005	Nov 2007	June 2008	2007-08 to 2011-12
10	Jammu & Kashmir	Not Available			
11	Jharkhand	Not Available			
12	Karnataka	Aug 2006	Dec 2008	Oct 2011	2011-12 to 2015-16
13	Kerala	Sep 2004	Nov 2005	Feb 2006	2006-07 to 2010-11
14	Madhya Pradesh	July 2005	Oct 2008	2009	2006-07 to 2010-11
15	Maharashtra	Jan 2005	June 2006	Dec 2013	2006-07 to 2010-11
16	Manipur	May 2013			
17	Meghalaya	Exempt under Article 243 M			
18	Mizoram	Exempt under Article 243 M			

Sl. No	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
19	Nagaland	Exempt under Article 243 M			
20	Odisha	Sep 2008	Feb 2009(Interim report)	under process	2010-11 to 2014-15
21	Punjab	Sep 2004	Dec 2006	June 2007	2006-07 to 2010-11
22	Rajasthan	Sep 2005	Feb 2008	March 2008	2005-06 to 2009-10
23	Sikkim	March 2009	Nov 2009	March 2010	2010-11 to 2014-15
24	Tamil Nadu	Dec 2004	Sep 2006	May 2007	2007-08 to 2011-12
25	Tripura	March 2008	awaited	March 2010	2005-06 to 2009-10
26	Uttar Pradesh	Dec 2004	Aug 2008	under consideration	2006-07 to 2010-11
27	Uttarakhand	Dec 2009	NA	NA	NA
28	West Bengal	Feb 2006	Oct 2008	July 2009	2008-09 to 2012-13
<b>Fourth State Finance Commission</b>					
1	Andhra Pradesh	NA	NA	NA	NA
2	Arunachal Pradesh	NA	NA	NA	NA
3	Assam	April 2010	Feb 2012		2009-10 to 2014-15
4	Bihar	June 2007	June 2010	NA	2010-11 to 2014-15
5	Chhattisgarh	n.a	n.a.	n.a.	n.a.
6	Goa	n.a.	n.a.	n.a.	n.a.
7	Gujarat	n.a	n.a.	n.a.	n.a.
8	Haryana	April 2010	NA	NA	2011-12 to 2015-16
9	Himachal Pradesh	May 2011	Yet to be submitted	NA	2011-12 to 2016-17
10	Jammu & Kashmir	NA	NA	NA	NA
11	Jharkhand	NA	NA	NA	NA
12	Karnataka	Not constituted			
13	Kerala	Sep 2009	Jan 2011 - I Part	Feb 2011	2010-11 to 2015-16
14	Madhya Pradesh	April 2010	NA	NA	2010-11 to 2015-16

Sl. No	State	Date of Constitution of SFC	Date of submission of SFC Report	Date of submission of ATR	Period covered by SFC
15	Maharashtra	Feb 2011	NA	NA	2010-11 to 2015-16
16	Manipur	Not Constituted			
17	Meghalaya	Exempt under Article 243 M			
18	Mizoram	Exempt under Article 243 M			
19	Nagaland	Exempt under Article 243 M			
20	Odisha	NA	NA	NA	NA
21	Punjab	Nov 2008	May 2011		2011-12 to 2015-16
22	Rajasthan	April 2011	July 2011	Aug 2011	2009-10 to 2014-15
23	Sikkim	July 2012	NA	NA	2014-15 to 2019-20
24	Tamil Nadu	Dec 2009	Sep 2011	May 2013	2011-12 to 2016-17
25	Tripura	NA	NA	NA	NA
26	Uttar Pradesh	Dec 2011	under process	NA	2010-11 to 2015-16
27	Uttarakhand	Not Due			
28	West Bengal	April 2013	April 2014		2013-14 to 2017-18
<b>Fifth State Finance Commission</b>					
1.	Assam	March 2013	NA	NA	2015-16 to 2019-20

Source: Information Submitted by State Government, Thirteenth Finance Commission 2010-2015, (2009), State Finance Commission Reports of States

Note: NA: Date not available in the given source

n.a.: not applicable

Table 2.7: SFC Recommendations for share in State Resources

State Finance Commission of	%	Share of Panchayats and urban Bodies	Basis of Distribution
<b>Total Revenue of State</b>			
Andhra Pradesh (I)	39.24	70% and 30%	Development criteria
Arunachal Pradesh(I)	50.00	Not Mentioned	Population, Geographical area, own income efforts, distance from highest per capita income and composite index of backwardness.
Assam(I)	2.0	Not Mentioned	Population.
Goa (I)	36.0	75% and 25 %	Population, Geographical area, Performance
<b>Own Revenue of State</b>			
Andhra Pradesh(II)*	10.39*	65% and 35%	Development Criteria
J & K (I)	13.5	67% and 33%	Not Mentioned.
Kerala (I)	1.0	Not Mentioned	Population.
Karnataka (III)	30.0	70% and 30 %	Not Mentioned
Madhya Pradesh(I)	11.57	25.13 % and 74.87%	Population, area, tax efforts.
Odisha (II)	10.0	80% and 20 %	Population, density, number of holdings, revenue efforts
Sikkim(I)	1.0	100% and 0 %	ULB does not exist in the state.
Sikkim (III)	2.0	Not Mentioned	Population, area of panchayats
Uttarakhand(II)	10.0	60 % and 40 %	Population, area, deprivation index , remoteness index, tax efforts.
Uttar Pradesh (I)	10.0	30% and 70 %	Population (80%); Area (20%).
Uttar Pradesh (II)	12.5	40% and 60 %	Population and area.
<b>Non- Loan gross own revenue</b>			
Karnataka (I)	36.0	85%and 15 %	For panchayats, population, area, index of decentralisation and for ULBs population 67% and illiteracy rate 33%[kar II has followed it]
Karnataka (II)	40.0	80% and 20 %	
<b>State Own Taxes</b>			
Assam(II)	3.5	Based on 1991 census	Population, area, Net District Domestic product
Chattisgarh(I)	4.79	Not Mentioned	Population
Goa(II)	2.0	Not Mentioned	Not Mentioned
Haryana(III)	4.0	65% and 35%	Population , SC Population,

			Number of Villages, cities and towns and literacy gap.
Kerala (II)	9.0	78.5 % and 21.5 %	Population
Kerala (III)	25.0#	Not Mentioned	Not Mentioned
Kerala (IV)	19.7	Population	Population, area, deprivation index, tax efforts
Madhya Pradesh (II)	4.0	77.33% and 26.67%	Population
Maharashtra (II)	40.0	80% and 20%	Distance from Highest Per Capita Income District, Backwardness, Population, Area, Proportion of Agricultural Income in Total Income of the District, Inverse Primary Income.
Odisha(III)	15.0	75% and 25%	Expected Population 25.8 % and 29.17 % respectively.
Punjab(II)	4.0	67.50% and 32.50%	Population, per capita, revenue, SCs
Punjab(III)	4.0	34% and 66%	Population
Rajasthan(I)	2.18	77.33 % and 22.7%	Population
Rajasthan (II)	2.25	76.6% and 23.4%	Population
Rajasthan(III)	3.5	75.7% and 24.3%	Population
Tamil Nadu(I)\$	8.0	60 % and 40 %	Population
Tamil Nadu (II)	10.0	58% and 42 %	Population, SCs and STs, Per capita own revenue, area, asset maintenance, resource gap.
Tamil Nadu (III)	10.0	58% and 42%	Population, resources, potential, needs
Tripura (I)	50.0	Not Mentioned	Population, Socio-economic backwardness
Tripura (II)	25.0	Not Mentioned	Population
Tripura (III)	20.0	Not Mentioned	Population
Uttarakhand(I)	11.0	42.23 and 57.77	Population and Distance from Rail Head
West Bengal (I)	16.0	Breakup as per population, district wise	Population and % of SC/ST, non literates
West Bengal(II)	16.0	Breakup as per population , district wise	Population 50 % and 7% to other variables, population density, SC/ST, non-literates, IMR, rural population per capita income

West Bengal (III)	2.0	Not Mentioned	Not Mentioned
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Source: Alok (2012)

Notes: \$ In Tamil Nadu, the divisible pool called pool B consists of sales tax, motor vehicle tax, state excise revenue and other state taxes. The other pool A consists of levies, which rightly belong to local bodies i.e. surcharge on stamp duties, local cess and local cess surcharge and entertainment tax. The entire proceeds of pool at taxes are recommended to be distributed to the local bodies.

\* Second SFC of Andhra Pradesh recommended 10.39% share as additional devolution over and above the existing annual devolution.

# 25 (Twenty five) per cent of the total State Tax revenue of the year 2003-04 may be transferred to Local SelfGovernments (LSGs) during the year 2006-07. During each of the four subsequent years amounts derived by applying annual growth of 10 (ten) percent (which would accommodate reasonable rates of inflation and real growth) may be so transferred.

### National Finance Commission

In order to ensure that the SFC does not deter the state legislatures in transferring responsibilities and revenue to the local governments, the CAA goes out of the way to provide that the National Finance Commission should suggest measures to augment states' consolidated funds in light of the recommendations of SFCs. So far, four National Finance Commissions (the 10th, 11th, 12th and 13th) have made their recommendations.<sup>9</sup> All these commissions were severely constrained for reasons emanating partly from the practice and partly from the design of the new fiscal arrangement: the lack of synchronisation of the periods covered by the SFCs with those covered by the National Finance Commission; the absence of a time frame for action by the state government on the recommendations of the SFC; a lack of clarity in assigning functions, finances, and functionaries to local governments; and heterogeneity in approach, content, and period covered by the various SFCs.

Nevertheless, all the Commissions except the 13<sup>th</sup> Finance Commission recommended ad hoc lump sum grants to panchayats. The 10th National Finance Commission made a provision for Rs 4381 crore, at Rs 100 per capita, to be passed on to panchayats between 1996 and 2000. In the absence of formal disbursement certificates by the state governments, the Central government could release only Rs 3570 crore. Further, the 11th National Finance Commission recommended a grant of Rs 10000 crore for its award period. Certain institution-building activities such as maintenance of accounts, creation of databases, and audits were made the first charge of the fund. The intention of the grant was to induce the panchayats to act as institutions of self-government. The Central government accepted the recommendations, with a caveat compelling panchayats to raise suitable matching resources.

The grant could not be fully utilised. Many state governments and panchayats raised this point during their interactions with the 12th National Finance Commission.<sup>10</sup> The commission had to emphasise the issue in its report: "*The central government should not impose any condition other than those prescribed by us, for release or utilisation of these grants*" (Government of India 2004d, 262). In its recommendations, the commission attempted to adopt the equalisation principle and allocated Rs. 20,000 crore to improve service delivery by the panchayats primarily for water supply and sanitation. The grants of the National Finance Commission are generally ordained for operation and maintenance and therefore, differ from those of the union ministries and the Planning Commission. Through this transfer, the commission intended for the panchayats to take overall of the central schemes related to drinking water, including *Swajaldhara*, which had not been operational because funds were not available for operation and maintenance.

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<sup>9</sup>. The 10th National Finance Commission was not mandated to make recommendations for local governments. Because the CAA became effective before the commission submitted its report, it made recommendations for the newly inserted sub clauses of article 280 (3) regarding local governments.

<sup>10</sup>. State governments also raised this point in the memoranda that they submitted to the 12th National Finance Commission (see <http://www.fincomindia.nic.in>).

**Table 2.8 Criteria Adopted by National Finance Commissions for Distribution of Grants to States for Panchayats**

Criteria	Weight assigned by		
	11th National Finance Commission	12th National Finance Commission	13th National Finance Commission
Population	40	40	50
Area	10	10	10
Distance	20	20	20
Decentralisation/ Devolution index	20	Not adopted	15
Revenue efforts	10	20	Not adopted
Deprivation index	Not adopted	10	Not adopted
SC/STs Population	Not adopted	Not adopted	10
FC grants utilisation index	Not adopted	Not adopted	5

*Source:* Alok (2013)

The Thirteenth Finance Commission made a major departure from the ad hoc practice adopted by the previous commissions of recommending lump sum grants to local governments both panchayats and municipalities. According to the recommendation of the 13<sup>th</sup> Finance Commission, the grant would be calculated from the volume of the Union divisible pool of the previous year. In this context, the percentage share would gradually increase from 1.5 per cent in 2010-11 to 2.28 per cent in 2010-15. The respective population of panchayats and municipalities would determine their share in the grant.

The grant as recommended by the Commission has two components – a basic component and a performance-based component. The basic is equivalent to 1.50 per cent of the previous year's divisible pool. All states are entitled to have access to this grant for all the five years, as per the criteria and weights recommended by the Commission. The performance grant-effective from 2010-12 was 0.50 per cent for the year 2011-12 and one per cent thereafter, upto 2014-15. Only those states which meet the nine stipulations outlined by the Commission have access to the performance grant (Government of India 2009).

This is a major development with regard to the predictable devolution of finances to panchayats. This is also a positive step towards creating/enhancing the fiscal capacity of panchayats. In a memorandum to the 13<sup>th</sup> Finance Commission, the Ministry of Panchayati Raj pleaded the Thirteenth Finance Commission to recommend five per cent share in the union divisible pool to the states for panchayats that could be earmarked, *inter alia*, for operation and maintenance of panchayats. Similarly, the Ministry of Urban Development also urged three per cent share to the states, for municipalities in the divisible pool to meet the O&M costs of municipalities. Interestingly,

seven states made the same request in their official memoranda. Similar views were expressed in a number of seminars and conferences organised by the 13<sup>th</sup> Finance Commission (Alok, 2008, 2009; IIPA 2009; Shylendra and Rajput 2009).

### Vertical Schemes

The Union Government, through the state governments, provides a majority of panchayat finances in most states. These grant-based transfers from the Planning Commission or union ministries are made in the form of centrally sponsored schemes (CSSs).<sup>11</sup> These schemes are quite large in number. Many pertain to the 29 subjects being implemented by different ministries and departments of the union government. The viability of many schemes has been questioned time and again. The Task Force of officials in charge of Panchayati Raj in States has given the following summary of the shortcomings of the implementation of CSSs (Government of India 2004c, 3):

- Rigid conditionalities
- Inconsistent approach to institutional arrangements—CSSs could be panchayat friendly, panchayat parallel, panchayat ignorant, or panchayat unfriendly
- Obsession with financial presentations
- Inefficient and ineffective monitoring and evaluation of outcomes
- Administrative overload on departments leading to inefficiency in processing requests for funding and delayed financial releases
- Lack of transparency in financial releases

It has been argued that CSSs should be converted to block transfers. The request of the Prime Minister, in his speech to all chief ministers on 29 June, 2004, to “consider if we should adopt a system of providing block grants to districts based on their incidence of poverty to plan and implement strategies that optimise their resource potential” (Government of India 2004b, 8) can be seen in that perspective.

In a landmark development on September 7, 2005, the government of India enacted the National Rural Employment Guarantee Act, to ensure employment of adult unskilled manual workers for a minimum of 100 days in a financial year. With the union and state governments, panchayats at all levels participate actively in the implementation of the Act.

Hence, substantial tied funds are being transferred to the panchayats through the centrally sponsored schemes (CSSs) and additional central assistance (ACAs). For long, the CSS transfers were administered and utilised mainly by the line departments. In recent years, the panchayats are being increasingly recognised as implementing institutions for the plan schemes of line ministries. The most important of these is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), where the panchayats at the district, intermediate and village levels have been given

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<sup>11</sup>. The states’ contribution to the CSSs was generally 50 per cent in the eight decades, which was reduced to one-fourth in the 1990s because of the tight fiscal situations of the states. The share of the states is being reduced further. Some of the schemes are entirely funded by the national government.

specific responsibilities as principal authorities for planning and implementation. Village panchayats are required to take minimum 50 per cent value of the works. Progress reports from states show an even more encouraging number of 72 per cent.

**Table 2.9: Allocation of Each Scheme that Entails a Role of the Panchayats**

<b>Scheme</b>	<b>2004-05</b>	<b>2008-09</b>	<b>2010-11</b>
National Rural Employment Guarantee Scheme/SGRY	10,000	16,000	40,000
National Rural Health Mission(NRHM)		11,974	15,672
Mid Day Meal (MDM)	1,507	8,000	9,440
Sarva Shiksha Abhiyan (SSA)	4,754	13,100	15,000
Pradhan Mantri Gram Sadak Yojana (PMGSY)	2,468	7,530	18,996
Accelerated Rural Drinking Water Supply Programme (ARDWSP)	2,900	7,300	9,000
Integrated Child Development Scheme (ICDS)	1,934	5,665	470.12
Indira Aawas Yojana (IAY)	2,500	5,400	9,333.5
Swarnjayanti Gram Swarojgar Yojana (SGSY)	1,000	2,150	2,683
Rajiv Gandhi Grameen Viduyutikaran Yojana (RGGVY)	NA	5,055	5,500
Backward Region Grant Fund (BRGF)	NA	4,670	7,300

Source: Alok (2013)

Since 2004, schemes as shown in the Table 2.9, have started assigning a range of responsibilities to the panchayats and depend upon them for grassroots implementation. In addition, there are several important flagship programmes of the Union, which aim at provisioning basic essential services across the country through the panchayats. Since 2004, the allocations to the programmes, entailing the involvement of the panchayats, have shown a substantial growth. It is a good augury that the institutional mechanisms tend to provide centrality to the panchayats in their planning and implementation.

### **Uneven Development**

Over a period of time panchayats evolved differently across states with respect to its structure, achievements and accountability. Since panchayat is the derivative of the state, it is the responsibility of the sub-national governments to devolve its power and authority, functions and functionaries, rights and duties, and the funds to the structure below, and thus bring the government to the doorstep of the people. It has been done in a variety of ways since states vary in their complexion. The system of decentralisation, whether it is related to constitution and functioning of DPC, or about promoting accountability or capacity building, there is no uniformity as patterns of their evolving vary from one state to another. Such diversity has been depicted in appendix 2.1.

## Appendix 2.1: Tables

Table 2.1.1 Constitution and Functioning of District Planning Committee

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Chairman of DPC	DPC Meetings in a year	Number of DPC Constituted	No. of DPC submitted Plan in 2013-14
1	Andhra Pradesh	AP DPC Act, 2005	N.A.	Notified	Chairperson of Zilla Praja Parishad	Once in three months	22	13 BRGF districts
2	Arunachal Pradesh	Order No. PR-23/2006	Yes	Not Notified	Chairman of DP	Twice a year	17	NIL
3	Assam	Sec. 3 of APA, 1994; AP Rules 2002	Yes.	Notified	President of Zilla Parishad	Twice a year	21	13 (BRGF districts)
4	Bihar	Sec.134 of Bihar PR Act, 1993	Yes	Notified	Adhyaksha of DP	Fixed by chairperson	38	37
5	Chhattisgarh	Chhattisgarh DPC Rules, 2001	Yes	Notified	Minister of the State	Twice in a year	18	15
6	Goa	Sec. 239 of Goa PR Act, 1994	No	Notified	Adhyaksha of DP	NA	2	NIL
7	Gujarat	n.a.	Yes	Notified	Minister -in-charge of the dist.	Four times	6 (in rest of the districts DPB works)	6
8	Haryana	Sec 214 of Haryana PR Act, 1994	Yes	Notified	Concerned DC	Four times	21	21
9	Himachal Pradesh	Sec 184 of HP PR Act, 1994	Yes	Notified	Minister from State Govt	Once in a year	12	2 BRGF districts
10	Jammu & Kashmir	District Planning & Development Board, acts as DPC	Yes	Yes	Minister (nominated)	Not Fixed	n.a.	n.a.
11	Jharkhand	Sec 123-130 of Jharkhand PR Act 2001	Yes	Notified	State Minister of Jharkhand nominated by	Six in a year	24	NIL

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Chairman of DPC	DPC Meetings in a year	Number of DPC Constituted	No. of DPC submitted Plan in 2013-14
					the Govt			
12	Karnataka	Section 310 of PR Act	Yes	Notified	President of DP	Once in 3 months	29	29
13	Kerala	Sec 53 of Kerala Municipality Act, 1994; Kerala DPC Rules 1995	Yes	Notified	President of DP	Once in 3 months	14	NIL
14	Madhya Pradesh	MP DPC Act, 1995	Yes	Notified	Minister-in-charge of the dist.	12 times	50	50
15	Maharashtra	Maharashtra DPC Act, 1998	Yes	Notified	Minister in charge	Once in 3 months	35	35
16	Manipur	Sec 96 of Manipur PR Act, 1995	No	Not Notified	Adhyaksha of ZP	Once in 4 months	4	4
17	Odisha	Orissa DPC Act, 1998	Yes	Notified	A Minister of the State Council of Ministers	No	30	30
18	Punjab	Sec 214 of PR Act, 1994	Yes	Notified	Minister (Nominated)	Once in 3 months	22	NIL
19	Rajasthan	Sec 121 of Rajasthan PR Act, 1994	Yes	Notified	Pramukh of DP	Once in 3 months	33	9
20	Sikkim	Sec 127 of SP Act, 1993	Yes	Notified	Adhyaksha of DP	Once in 3 months	4	4
21	Tamil Nadu	Sec 241 of TN Panchayats Act 1994	Yes	Notified	Chairman of DP	One in 3 months	31	31
22	Tripura	DPC Act 2008	Yes	Not Notified	Minister of Panchayat Dept	Twice a year	4	4
23	Uttarakhand	UK DPC Act, 2007; DPC Rules 2010	Yes	Notified	Minister nominated by Govt.	Once in 3 months	13	13
24	Uttar Pradesh	UP DPC Act, 1999; DPC Rules 2008	No	Notified	Minister nominated by Govt	No	75	75
25	West Bengal	Sec 3 of WB DPC Act, 1994	Yes	Notified	Sabhadhipati of Zilla Parishad	NA	18	NA
	<b>Union Territories</b>							

S.No.	State	Legislative Provisions related to DPC	DPO Exists	Guidelines for Dist Plan	Chairman of DPC	DPC Meetings in a year	Number of DPC Constituted	No. of DPC submitted Plan in 2013-14
26	Andaman & Nicobar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
27	Chandigarh	Nil	No	Not Notified	No	No	No	No
28	Dadra & Nagar Haveli	N.A.	Yes	Notified		No	Nil	Nil
29	Daman & Diu	N.A.	No	Notified	President of DP	No	1	1
30	Lakshadweep	Sec 85 of Lakshdweep Panchayats Regulation, 1994	Yes	Yes	Administrator designated as Ex-officio Chairman	Yes	1	1
31	Puducherry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Information Submitted by State Governments, C&AG Report on Local Bodies of various State;  
[http://planningcommission.nic.in/reports/sereport/ser/ser\\_distplan.pdf](http://planningcommission.nic.in/reports/sereport/ser/ser_distplan.pdf)

Note: NA – data not available in given source

n.a- not applicable

Table 2.1.2: Social Audit

S.No.	States	Social Audit Conducted by	Scheme(s) that are Audited	Frequency of Social Audit	Training for S.A	
					Trained by	Trainee
1	Andhra Pradesh	SSAAT#	MGNREGA	Twice a year	SSAAT	Citizens, CBOs
2	Arunachal Pradesh	n.a.	NA	N.A.	N.A.	N.A.
3	Assam	Gram Sabha	MGNREGA	Once in 6 months	State government	ER & Panchayat officials
4	Bihar	Gram Sabha	MGNREGA, IAY	Once in a year	State government	N.A.
5	Chhattisgarh	Gram Sabha & SA Team	MGNREGA, IAY, BRGF	Once in 6 months	State government	ER, Panchayat officials & Citizens
6	Goa	Gram Sabha	MGNREGA	N.A.	N.A.	N.A.
7	Gujarat	NA	NA	N.A.	N.A.	N.A.
8	Haryana	Gram Sabha	MGNREGA	Once in 6 months	State government	ER & Panchayat officials
9	Himachal Pradesh	Gram Sabha & SA Team	MGNREGA, IAY, SSA	Once in 6 months	State government	ER, Panchayat officials, Citizens
10	Jammu & Kashmir	Gram Sabha	MGNREGA	Once in 6 months	State government & NGOs	ER, Panchayat officials & gram sabha members
11	Jharkhand	Gram Sabha & SA Team	MGNREGA	Once in 6 months	SIRD & ATI	ER, Panchayat officials & Citizens
12	Karnataka	Gram Sabha & SA Team	MGNREGA	Once in a year	State government	ER, Panchayat officials & Citizens
13	Kerala	Gram Sabha	MGNREGA, SSA, IAY, AAY, ICDS	Once in a year	State government	ERs, Panchayats officials & Citizens
14	Madhya Pradesh	Gram Sabha	MGNREGA, IAY, ICDS, AAY	Once in 6 months	State government, CBOs & NGOs	Citizens
15	Maharashtra	Gram Sabha & SA Committee	MGNREGA, IAY, SSA, ICDS	Once in 6 months	State government, CBOs & NGOs	ER, Panchayat officials & Citizens
16	Manipur	Gram Sabha & SA Team	MGNREGA, IAY	Once in a year	SIRD	Members of gram sabha

S.No.	States	Social Audit Conducted by	Scheme(s) that are Audited	Frequency of Social Audit	Training for S.A	
					Trained by	Trainee
17	Odisha	Gram Sabha & SA Team	MGNREGA, IAY	Once in 6 months	State government & NGOs	ER, Panchayat officials & Citizens
18	Punjab	Gram Sabha	MGNREGA	Once a year	State government & NGOs	ER, Panchayat officials & Citizens
19	Rajasthan	Gram Sabha & SA Teams	MGNREGA	Once in 6 months	State government	Panchayat officials & Village Resource Persons
20	Sikkim	Voluntary Health Association of Sikkim	MGNREGA	Once a year	State government	ER & Panchayat officials
21	Tamil Nadu	Gram Sabha & SA Team	MGNREGA, IIA, SSA, AAY, ICDS, Mathi, PVT	Once in 6 months	SASTA*	ER, Panchayat officials & Citizens
22	Tripura	Gram Sabha	MGNREGA	Once a year	State government	ER & Panchayat officials
23	Uttarakhand	Gram Sabha	MGNREGA	Once in 6 months	State government	ER & Panchayat officials
24	Uttar Pradesh	Gram Sabha	MGNREGA	Once a year	N.A.	N.A.
25	West Bengal	Gram Sabha & SA Team	MGNREGA	Once in 6 months	State government	Panchayat officials & Citizens
<b>Union Territories</b>						
26	Andaman & Nicobar	NA	NA	N.A.	N.A.	N.A.
27	Chandigarh	Gram Sabha	MGNREGA	Once in 6 months	CRRID	ERs & Panchayat officials
28	Dadra & Nagar Haveli	Gram Sabha	MGNREGA	Once a year	Nil	N.A.
29	Daman & Diu	n.a.	NA	N.A.	N.A.	N.A.

S.No.	States	Social Audit Conducted by	Scheme(s) that are Audited	Frequency of Social Audit	Training for S.A	
					Trained by	Trainee
30	Lakshadweep	Gram Sabha	MGNREGA	Once a year	N.A.	N.A.
31	Puducherry	NA	NA	N.A.	N.A.	N.A.

Source: Information submitted by State Government

Note: NA – data not available in given source

n.a- not applicable

# Society on Social Audit, Accountability and Transparency (SSAAT)

\* Social Audit Society of Tamil Nadu an independent organization, has been established to facilitate social audit by gram sabha

Table 2.1.3: Gram Sabha

S.No.	State	Nomenclature for Gram Sabha	Quorum Prescribed for Gram Sabha	Recommended for Gaurav Gram Sabha
1	Andhra Pradesh	Gram Panchayat	Not specified in Act	Yes
2	Arunachal Pradesh	Gram Panchayat	one-tenth	Yes
3	Assam	Gaon Panchayat	one-tenth	Yes
4	Bihar	Gram Sabha	one-twentieth	Yes
5	Chhattisgarh	Gram Shabha	one-tenth	Yes
6	Goa	Village Panchayat	one-tenth	Yes
7	Gujarat	N.A.	one-twentieth	N.A.
8	Haryana	Gram Sabha	one-third	No
9	Himachal Pradesh	Gram Sabha	one-third	Yes
10	Jammu & Kashmir	Halqa Majlis	N.A.	No
11	Jharkhand	Gram Sabha	one-tenth	No
12	Karnataka	Grama Sabha	one-tenth	Yes
13	Kerala	Grama Sabha	one-tenth	Yes
14	Madhya Pradesh	Gram Sabha	one-tenth	Yes
15	Maharashtra	Gram Sabha	one-seventh	Yes
16	Manipur	Gram Sabha	one-fifth	No
17	Odisha	Gram Sabha	one-tenth	Yes
18	Punjab	Gram Sabha	one-fifth	No
19	Rajasthan	Gram Sabha	as prescribed in PR Act	Yes
20	Sikkim	Gram Sabha	one-fifth	Yes
21	Tamil Nadu	Grama Sabha	one-tenth	Yes

22	Tripura	Gram Sabha	one-eighth	No
23	Uttarakhand	Gram Sabha	once-fifth	Yes
24	Uttar Pradesh	Gram Sabha	one-fifth	No
25	West Bengal	Gram Sansad	one-tenth	Yes
<b>Union Territories</b>				
26	Andaman & Nicobar	N.A.	N.A.	N.A.
27	Chandigarh	Gram Sabha	N.A.	No
28	Dadra & Nagar Haveli	Village wise Gram Sabha	one-tenth	No
29	Daman & Diu	Gram Sabha	one-fourth	No
30	Lakshadweep	N.A.	one-tenth	No
31	Puducherry	N.A.	N.A.	N.A.

Source: Information submitted by State Governments,

Note: NA – data not available in given source, n.a- not applicable

Table 2.1.4: Transparency &amp; Anti-Corruption

S. No	State	Citizens' Charter	Institutions undertaking Complaints of Panchayats	Information Officer under RTI			I Appellate Authority under RTI			II Appellate Authority under RTI		
				VP	BP	DP	VP	BP	DP	VP	BP	DP
1.	Andhra Pradesh	Yes	Lokayukta	EO	Supdt, MPDO	Dy. CEO., (DP)	MPDO	MPDO	CEO, DP	SIC	SIC	SIC
2.	Arunachal Pradesh	No	Government Agency	Member Secy	Member Secy	Member Secy	DC	DC	DC	Comsnr, PR	Comsnr, PR	Comsnr, PR
3.	Assam	Yes	Ombudsman	Goan Panchayat Secy	BDO	CEO	CEO	PD, DRDA	Comsnr, PR	CEO	PD, DRDA	Comsnr, PR
4.	Bihar	No	Ombudsman	PS	Block PR Officer	DPRO	BDO	BDO	DDC	SDO	SDO	DM
5.	Chhattisgarh	Yes	Ombudsman & Lokayukta	Sachiv, ZP	CO of BP	CO of DP	CO of BP	CO of DP	DC	SIC	SIC	SIC
6.	Goa	No	Lokayukta	PS	NA	CEO	BDO	NA	CEO	SIC	NA	SIC
7.	Gujarat	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8.	Haryana	Yes	Lokayukta & DC	Sarpanch	BDPO	DDPO	BDPO	DDPO	ADC	ADC	DC	Director
9.	Himachal Pradesh	Yes	Ombudsman	PS	PI	Supdt.	BDO	BDO	DPO	SIC	SIC	SIC
10.	Jammu & Kashmir	No	Ombudsman	NA	NA	NA	NA	BDO	NA	NA	NA	SIC
11.	Jharkhand	NA	Lokayukta	GS	BDO	DDC	NA	NA	NA	NA	NA	NA
12.	Karnataka	Yes	Ombudsman & Lokayukta	GP Secy	Manager of BP	Dy. Secy of DP	PDO of GP	EO* of BP	CEO of DP	Comsnr, KIC	Comsnr, KIC	Comsnr, KIC
13.	Kerala	Yes	Ombudsman; Tribunal for LSGIs	GP Secy	BPS	Finance officer	DD of Panchay	ADC*	DP Secy	Director of	Senior AO#	Pr Secy,

							at		Panchayat	LSGD		
14.	Maharashtra	Yes	Ombudsman	GS	SO	SO	EO of Panchayat	BDO	Head of DP	SIC	SIC	SIC
15.	Madhya Pradesh	Yes	Lokayukta	GP Sachiv	P&SEO	Project Officer	P&SEO	CEO, BP	CEO, DP	SIC	SIC	SIC
16.	Manipur	No	Ombudsman	PS	NA	CEO	Pr. Secy	NA	Pr. Secy	NA	NA	NA
17.	Odisha	Yes	Ombudsman	PEO	Officer designated by BDO	APD	GPEO	BDO	Project Director	SIC	SIC	SIC
18.	Punjab	NA	Ombudsman (only MGNREGA)	Panchayat Secy	BDPO	Dy. CEO	BDPO	DDPO	ADC	SIC	SIC	SIC
19.	Rajasthan	Yes	Ombudsman (only MGNREGA Complaints)	GS	BDO	CEO of DP	Sarpanch	Pradhan	Zila Pramukha	SIC	SIC	SIC
20.	Sikkim	No	Lokayukta	BDO	NA	DPO*	Addl. DC	NA	Sachiva, Zilla	Jt. Secy (RM&D)	NA	Jt. Secy (RM&DD)
21.	Tamil Nadu	Yes	Ombudsman	Dy BDO	Dy. BDO (Admin)	Supdt, DP	BDO (GP)	BDO (BP)	Secy, DP	SIC	SIC	SIC
22.	Tripura	Yes	Lokayukta	I/C. PS	PEO	CEO	BDO	PEO	CEO	DPO	DPO	Pr Secy, RD
23.	Uttarakhand	Yes	Ombudsman	Pradhan	BDO	Apper Mukhya Adhikari	BDO	CDO	CDO	SIC	SIC	SIC
24.	Uttar Pradesh	Yes	Govt. Agency	DPRO	DPRO	Apper Mukhya Adhikari	DD, Panchayat	DD, Panchayat	CDO	NA	NA	NA
25.	West Bengal	No	Ombudsman &	EA	JEO	Secy	Pradhan	EO	AEO	SIC	SIC	SIC

## Lokayukta

**Union Territories**

26. Andaman & Nicobar												
27. Chandigarh	No	Govt. Agency	P Secy	BDPO	Supdt	JD	JD	CEO	NA	NA	NA	NA
28. Dadra & Nagar Haveli	Yes	Govt. Agency	DPO	NA	AO	CEO	NA	CEO	Secy (Panchayat)	NA	Secy (Panchayat)	NA
29. Daman & Diu	No	Govt. Agency	GP Secy	NA	H.O, Line Dept Supdt	CEO, DP	NA	CEO, DP	CIC	NA	CIC	NA
30. Lakshadweep	NA	NA	EO	NA	Supdt	Asst. Director, Panchayat	NA	CEO	Director of Panchayats	NA	Director of Panchayats	NA
31. Puducherry	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: Information submitted by State Governments,

Note: NA – data not available in given source

n.a- not applicable

# Senior AO of Commissionerate of Rural Development is the II Appellate authority under RTI Act in Kerala

**Expanded term of Officials:** AAO: Assistant Accounts Officer; AEO: Additional Executive Officer; ADC: Additional Deputy Commissioner; ADC\*: Assistant Development Commissioner; APD: Additional Project Director; BDO: Block Development Officer; BDPO: Block Development Panchayat Officer; BPS: Block Panchayat Secretary, CIC: Chief Information Commissioner; CEO: Chief Executive Officer; CO: Chief Officer; Comsnr: Commissioner; CDO: Chief Development Officer; Dy. CEO: Deputy Chief Executive Officer; DC: District Collector; DD: Deputy Director; DDC: District Development Commissioner; DDPO: District Development Panchayat Officer; DM: District Magistrate; DPO\*: District Planning Officer; DPRO: District Panchayat Returning Officer; EA: Executive Assistant; EO: Extension Officer; EO\*: Executive Officer; GPEO: Gram Panchayat Extension Officer; GS: Gram Sevak; JD: Joint Director; JEO: Joint Executive Officer; KIC: Karnataka Information Commissioner; MPDO: Mandal Parishad Development Officer; PD: Project Director, PDO: Panchayat Development Officer; PEO: Panchayat Executive Officer; PI: Panchayat Inspector; PS: Panchayat Secretary; Pr. Secy.: Principal Secretary; P&SEO: Panchayat Social Extension Officer; RM&DD: Rural Management and

Development Department; SDO: Sub Divisional Officer; SO: Section Officer; Secy: Secretary; SIC : State Information Commissioner; # Supdt.: Superintendent.

Table 2.1.5 e-Connectivity

S. No	States/UTs	Software adopted									Software developed by State
		PlanPlus	PriaSoft	Local Govt. Directory	Panchayat Portal	Panchayats Profiler	Asset Directory	Action Soft	GIS	Service Plus	
1	Andhra Pradesh	Y	Y	Y	Y	Y	Y	Y			Property Tax Collection, MIS for Audit, Grievance Monitoring (***)
2	Arunachal Pradesh	Under Process	Under Process	Under Process	Under Process						Nil
3	Assam	Y	Y	Y	Y						Nil
4	Bihar	Y	Y	Y	Y						Nil
5	Chhattisgarh	Y	Y	Y	Y					Y	Nil
6	Goa	Y	Y	Under Process	Under Process						INFOGRAM
7	Gujarat	Y	Y	Y	Y						e-Dhara; e-Gram Panchayat
8	Haryana	Y	Y	Y	Y						Employee Database Mgt System; Shamilat Land Management System
9	Himachal Pradesh	Y	Y	Y	Y						e-Pariwar Register
10	Jammu & Kashmir	N	N	Under Process	Under Process						Nil
11	Jharkhand	Y	Y	Y	Y					Y	Nil

12	Karnataka	Y	Y	Y	Y						www.panchatantra.kar.nic.in; panchamitra.kar.nic.in; WorkSoft; TankSoft, Jammitra, Lokmitra, Gandhi Sakshi Kayaka, E-Swattu
13	Kerala	N	N	Y	Y						Sulekha; Sevana; Saankhya, Soochika, Sanchaya, Sanchita, Sakarma etc.
14	Maharashtra	Y	Y	Y	Y				Y	Y	SangramSoft Gram Panchayat
15	Madhya Pradesh	Y	Y	Y	Y						Audit Management & Social Management Software, Panchayat Derpan, GP champ apps, SAMAGRA- SSSM
16	Manipur	N.A.	N.A.	N.A.	N.A.						N.A.
17	Odisha	Y	Y	N.A.	N.A.						N.A.
18	Punjab	Y (only BRGF districts)	Y	Y	N.A.				Y		N.A.
19	Rajasthan	Y	Y	Y	Y						Nil
20	Sikkim	Y	N.A.	Y	Y						Nil
21	Tamil Nadu	Y	Y	Y	Y				Y	Y	GPRS based Tax collection software, street wise monitoring module for the mass cleaning and sanitation activities, GEMSOFT etc.
22	Tripura	Y	Y		Y						Record of Rights (ROR)
23	Uttarakhand	Y	Y	Y	Y						Nil
24	Uttar Pradesh	Y	Y	Y	Y						No
25	West Bengal	Y	Y	Y	Y	Y				Y	GPMS, Integrated Fund Management System, SEBA, Aam Admi, RHS

Union Territories											
26	Andaman & Nicobar	N.A.	N.A.	N.A.	N.A.						N.A.
27	Chandigarh	N.A.	N.A.	N.A.	N.A.						N.A.
28	Dadra & Nagar Haveli	N.A.	Y	N.A.	N.A.						Nil
29	Daman & Diu	No	No	No	No						Registration of Birth & Death
30	Lakshadweep	N.A.	N.A.	N.A.	N.A.						Nil
31	Puducherry	N.A.	N.A.	N.A.	N.A.						N.A.

Source: Information submitted by State Governments

Note NA: Not available in given source

n.a: not applicable

Table 2.1.6: Training Institutions in States for Panchayats

Sl.No.	States	State Training Institute	Regional Institutes	Satellite Based Training	
				Yes/No	Where
1	Andhra Pradesh	AMR-AP Academy of Rural Development	Extension Training institutes at 17 districts	No	No
2	Arunachal Pradesh	SIRD	Nil	No	No
3	Assam	SIRD	Resource Centres in IT & Skill Development	Yes	1 Satellite Hub; 20 BRCs
4	Bihar	BIPARD	Divisional Training Centres of PR Dept.	No	NA
5	Chhattisgarh	Thakur Pyarelal Institute of Panchayat & Rural Development (TPIPRD)	6 Extension Training Centres at Kurud, Bilaspur, Jagdalpur, Raigarh, Rajnandgaon, Amibikapur	Yes	110 PRC
6	Goa	Goa Institute of Rural Development & Administration	Nil	No	No
7	Gujarat	SPIPA (SIRD), Ahmedabad	Panchayat Training Centre	Yes	226 BRC
8	Haryana	HIRD, Nilokheri; RGSIPR & CD	Regional Training Centre, Bhiwani	No	No
9	Himachal Pradesh	PRTI at Mashobra, Shimla, Baijnath, Kangra, Thunag, Mandi	NA	Yes	71 BRCs 6 RRCs under
10	Jammu & Kashmir	IMPA, J&K; SIRD	RETC	Yes	BRGF
11	Jharkhand	SIRD; SKIPA (ATT)	Central Training Institute, Ranchi; Panchayat Training Institute, Deoghar	No	No
12	Karnataka	Abdul Nazir Sab SIRD, Mysore	Regional SIRDs at Dharwad; PRC at Bangalore; SATCOM Training Centres at Dharwad, Gulbarga, Mangalore, Davanagere & Bangalore	Yes	175 BRCs

13	Kerala	KILA; SIRD	—	No	No
14	Maharashtra	SIRD, Yashada, Pune	Gramsevak Training Centres and Panchayat Raj Training Centres	Yes	126 BRCs
15	Madhya Pradesh	SIRD, Jabalpur	Panchayat Training Centre, Panchmadi	Yes	313 BRCs
16	Manipur	SIRD	6 DTCs	No	No
17	Odisha	SIRD, Bhubaneswar	3 ETCs at Bhubaneswar, Kalahandi, Keonjhar	No	No
18	Punjab	SIRD	CRRID	No	No
19	Rajasthan	Indira Gandhi Panchayati Raj Evam Gramin Vikas Sansthan, SIRD ,Rajasthan, Jaipur	PTCs at Ajmer, Mandore, Jodhpur, Dungarpur	Yes	200 Blocks
20	Sikkim	SIRD		No	No
21	Tamil Nadu	SIRD	RIRDs	No	No
22	Tripura	PR Training Institute, A.D. Nagar		No	No
23	Uttarakhand	UIRD, Rudrapur	Extension Training Centres	No	No
24	Uttar Pradesh	SIRD		No	No
25	West Bengal	SIRD; Society for Training & Research on Panchayats & Rural Development (STARPARD); State Prog Mgt Unit	ETCs; DTCs; Dist. Prog Mgt Units	Yes	341 BRCs

Source: Information submitted by State Governments

Note NA: Not available in given source

n.a: not applicable

## Chapter 3

### Construction of the Index

Devolution necessitates corresponding transfer of functions, finances and functionaries, to the institutions of local governments. However, effectiveness of local government cannot happen with such transfer mechanisms alone. It requires capacity building measures along with accountability, so that there is fairness and transparency in the operation of panchayats. Such assertion is an integral part of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), a centrally sponsored scheme of the Union Ministry of Panchayati Raj and the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS), that is subsumed under RGPSA. Hence, each aspect mentioned above has been developed as ‘dimension’ in the present exercise in the construction of Devolution Index. Each indicator of the index has also been strengthened to capture various aspects that take place at the ground level. There were several stages in the development of the Devolution Index. At each stage of the index making process, consultation was held with the State Governments, the Ministry of Panchayati Raj and other key experts and resource persons from academia and State PR departments. The consultative forums that was organised include the following:

- National Workshop chaired by the Secretary, MoPR with State Secretaries/Nodal Officers and Experts on Dimensions & Indicators and their Weights at New Delhi on 5 October 2012.
- National Workshop with Field Agencies regarding Data Collection & Validation Exercise at New Delhi on 20 December 2012.
- Presentation of the results before the Secretary, MoPR and other senior officers in the Ministry of Panchayati Raj on 18 March 2013.
- National Workshop with State Secretaries/Nodal Officers, seeking clarification on the methodology and the data received from States/UTs at New Delhi on 5 February 2014.
- A presentation of the results to the Ministry of Panchayati Raj in March 2014.

The various steps involved in the process of panchayat devolution index, right from the selection of dimensions till the calculation of final indexing and scoring are as follows:

#### States Covered in the Study

All the States and Union Territories, meeting the following criteria, have been included in the exercise of devolution index:

- States/UTs where panchayats exist.

- States/UTs, where the provisions of Part IX of the Constitution are applicable.
- States/UTs that have incorporated Article 243ZD and the mandatory provisions of Part IX of the Constitution.
- States/UTs that have participated by sending filled in questionnaire.

In this regard, all the States and Union Territories are covered in the study except the States of Mizoram, Meghalaya and Nagaland. This is due to the reason that, Part IX of the Constitution does not apply to these scheduled and tribal areas and they are out of the purview of 73<sup>rd</sup> Amendment Act as stated in Article 243 (M). Hence, they have not been considered in the study. Further, the NCT of Delhi is also out of reckoning as panchayats were superseded in 1990 and have not yet been revived.

Thus, as highlighted in table 3.1, 22 states and 2 Union Territories (UTs) participated in the Devolution Index Survey in 2013-14. States such as Goa, Odisha and Uttar Pradesh did not participate this year along with the UTs of Andaman & Nicobar Island, Daman & Diu, Lakshadweep and Puducherry. However, the data of previous years were used for these states and UTs, as they were not able to participate in the study in 2013-14 due to their preoccupation in the general election process.

**Table 3.1 Survey Response from States/UTs as on 20 February 2014**

S.No.	States
1.	Andhra Pradesh
2.	Arunachal Pradesh
3.	Assam
4.	Bihar
5.	Chhattisgarh
6.	Gujarat
7.	Goa*
8.	Haryana
9.	Himachal Pradesh
10.	Jammu & Kashmir
11.	Jharkhand
12.	Karnataka
13.	Kerala
14.	Madhya Pradesh
15.	Maharashtra
16.	Manipur
17.	Odisha*
18.	Punjab
19.	Rajasthan

20.	Sikkim
21.	Tamil Nadu
22.	Tripura
23.	Uttarakhand
24.	Uttar Pradesh*
25.	West Bengal
<b>Union Territories</b>	
1	Chandigarh
2	Dadra & Nagar Haveli
3	Daman and Diu*
4	Lakshadweep*

\* Data of previous years were used for these states and UTs as they could not participate in the study in the current year

### **Development of Dimensions and Indicators**

As specified earlier, the Consultative Forum that was held on 5 October 2012 facilitated the formulation of dimensions and its respective indicators. About 30 members from different parts of the country, including renowned experts, representatives of State Institute of Rural Development, State Governments, etc. shared their views on various dimensions of devolution index which served as a valuable input in which indicators pertaining to ‘Capacity Building’ and ‘Accountability’ emerged in rudimentary form. This process was taken forward through continuous consultations with the States and the Ministry of Panchayati Raj, along with the review of the government reports on various issues, RGPSA guidelines, review of other national and international literature on decentralisation and local governance. Related State Acts, manuals, state reports, government orders, etc. were also sought to make better judgments. This process culminated in the form of a well-structured questionnaire with few open ended questions.

The questionnaire was pre-tested in Karnataka and Rajasthan and discussed further in the workshop organised with survey team. Thereafter, the questionnaire was sent to all State Governments on 10 December 2014 to elicit data.

Data was also collected from the field in 22 states and from 2 union territories to supplement or validate the data received from State Governments.

Accordingly, the Panchayat Devolution Index of 2013-14, comprises 22 indicators, and subdivided under the six dimensions of framework, functions, finances, functionaries, capacity building and accountability. Each dimension represents a distinct component of devolution to panchayats. Though no major changes have been made in the dimensions of framework, capacity building and accountability, few questions have been added or modified in the dimensions of functions, finances and functionaries, so as to make the indicators and dimensions more inclusive reflecting various aspects of panchayat strengthening measures

taken by the States. The purpose of the dimensions and what its indicators try to capture has been discussed in the theoretical justification as given below:

### ***Framework***

The framework dimension of the index, tries to capture, whether the basic provisions mentioned in the constitution are adhered to by the States. Framework has been considered a qualifying criterion and is related to institution building as mandated in the Constitution. The framework needs to be seen at two levels. We sought information on details of the functioning of the constitutional institutions set up under the 'framework' and quantified them to find out how the states differed in observance of this dimension under the spirit of the Constitution. For example, Article 243 I (4) related to the submission of the report of the State Finance Commission (SFC) with an explanatory memorandum before the Legislature is silent on the time frame though without an intention. As per the spirit of the Constitution, we assume six months should have been the ideal time frame for each of the State Government to consider the recommendations of its SFC. We accorded zero marks for lapses in observance to build in discriminatory power into the index. Other indicators covered under this dimension include, panchayat elections and constitution of SEC, dissolution of members, constitution and functioning of district planning committee, role of panchayats in parallel bodies, autonomy to panchayats. All these components form an integral part of devolution exercise, which are basic features towards creating an 'institution of self-government' as stated in the Constitution.

**Exhibit 3.1: Dimensions & Indicators****Framework**

- Basic Details of Panchayats
  - Reservation of Seats for SC/ST and Women (Art. 243D)
- Panchayats Elections & State Election Commission (Art. 243K)
- Panchayats duration, Dissolution & Bye Elections (Art.243E)
- Constitution and Function of District Planning Committee (Art.243ZD)
- Role of Panchayats in Parallel Bodies/Institutions
- Autonomy to Panchayats (Art.243F)

**Functions**

- Functions Assigned to Panchayats including Activity Mapping, Expenditure incurred and Actual Involvement of Panchayats(Art. 243G)
- Involvement of Panchayats in Important Schemes

**Finances**

- Thirteenth Finance Commission Grants to the Panchayats
- State Finance Commission (SFC)
- Money Transfers to Panchayat on accounts of the SFC recommendations
- Empowerment of Panchayats to Impose and Collect Revenue (Art.243H)
- Funds Available with Panchayats
- Expenditure of Panchayats

**Functionaries**

- Physical Infrastructure of Panchayats
- e-Connectivity of Panchayats
- Panchayats Officials:
  - Sanctioned and actual staff position
  - Power and Functions of Panchayats

**Capacity Building**

- Training Institutions
- Training Activities
  - Training of Elected Representative and Officials

**Accountability**

- Accounting and Audit Of Panchayats
- Social Audit of Panchayats
- Functioning of Gram Sabha (Art.243A)
- Transparency & Anti-Corruption
- Panchayats Assessment & Incentivisation

### ***Functions***

The dimension of ‘functions’, known as expenditure assignment in the literature of public finance, is given lesser weightage as compared to the dimension of ‘finances’. We read the article 243G more thoroughly than usually done with a fixation on the 29 items enumerated in the XI Schedule of the Constitution. Along with the indicative list in these 29 items, the civic functions and activities carried out by panchayats were also assigned equal weightage. We thought it proper to know in detail about empowerment of panchayats for functions and involvement in schemes, as these were transferred to the various tiers of panchayats in varying degrees by the states and union territories. Thus, by formulating a detailed score sheet with different weights to empowerment, enablement and facilitation and preferring legislative action to executive action and expenditure incurred, for each of the indicators within the dimension, the scores for the states were arrived.

### ***Finances***

‘Finances’ is the most important dimension in our assessment and have been given the maximum weightage in comparison to the other dimensions. This was also the consensus view of the domain experts who participated in the National Workshop on 5 October 2012. As enshrined in the Constitution under Article 243H, the power of panchayats to impose tax is vital, so as to impart certainty, continuity and strength to panchayats (Alok, 2006). In this regard, we made a score sheet, using the principle of descending importance to empowerment, enablement and facilitation and preference for legislative action over executive action, for various possible taxes and non taxes—where major local taxes, e.g. property tax were accorded a value higher than others. Other parameters such as fiscal transfers to panchayats in the form of shared taxes and grants, and the availability of funds with panchayats and the expenditures incurred by them are considered a good substitute for empowerment. Grants under the Thirteenth Finance Commission, the recommendations of SFCs were given due place as the provisions for them had contributed in removing the encumbrances imposed by states.

### ***Functionaries***

‘Functionaries’ forms the main component in strengthening panchayats, equipping them with capable manpower. This helps the panchayats to perform better and function as institutions of self-government. The extent to which the government employees are deployed to panchayats and have been made accountable to panchayats' political executives and whether panchayats have their own employees, the powers and functions of panchayats in terms of selection, appointment, salary payment, transfer, removal, etc. form a critical aspect in understanding the aspects related to devolution of functionaries. Further, the infrastructure and e-connectivity which equip the functionaries are also considered in capturing the extent of devolution.

### ***Capacity Building***

Capacity building of panchayats has been getting more attention from scholars and practitioners alike, in recent years. With the enactment of the Constitutional Amendment Act of 1993, the institutions of local self-government are expected to perform a wide range of tasks viz. rendering essential civic services like drinking water supply, street lighting, rural roads, health and sanitation. The panchayats are also empowered to impose and collect taxes. Understanding the critical importance of enhancing the knowledge and skills of elected representatives and panchayat officials at the local level, capacity building of panchayats has been considered an important component in strengthening the panchayats. The dimension of ‘capacity building’ has been incorporated in the present exercise, which shares an equal weight with the dimensions of ‘functionaries’ and ‘accountability’. It focuses on the establishment of training institutions and training programmes organised by the States/UTs for the officials and elected representatives helping them to perform the tasks efficiently. Thus, to capture the impact of capacity building of panchayats, aspects such as the institutions involved in training, content and method of training, curriculum of training, people trained, etc. formed the basis of this dimension.

### ***Accountability***

With the passage of two decades since the enactment of the Constitutional Amendment Act, one can cheer that the basic structures and legislations are in place to devolve powers and functions to panchayats in almost all states and UTs. However, to strengthen panchayats to function effectively as institutions of local self-government, accountability of panchayats has been considered a critical mechanism in recent years. In the exercise of devolution index, in 2012-13, the dimension of ‘accountability’ was formulated and two distinct components of ‘accountability’ viz. accountability of panchayats to people and accountability of functionaries to panchayats were developed. While components of accounting and audit, panchayat assessment and incentives act as tools to capture accountability of functionaries to panchayats, indicators such as functioning of *gram sabha*, social audit, transparency and anti-corruption covering Right to Information and Citizens’ Charter, are designed to endorse the accountability of panchayats to the people.

The primary objective in all these dimensions is to measure the commitment of the States and UTs to empower panchayats and promote the accountability of Panchayat. The focus of all six dimensions is on key themes of PEAIS, subsumed under RGPSA.

### **The Concept**

We differed from adopting equal weights as we progressed from 4F framework to additional two more dimensions. We reduced the weight of finances from 40.0 percent used till 2011-12 to 30.0 percent since 2012-13, with the addition of extra dimensions. This was also the view of the experts’ group participated in the National Workshop on 5 October 2012. The

framework dimension, which is a mandatory criterion, has been assigned 10 per cent weight, so as to give it a quantitative significance. The remaining weights of 60.0 per cent, has been divided equally among functions, functionaries, capacity building and accountability in the ratio of 1:1:1:1.

However, the exercise of assigning weights is conducted not only for overall devolution but also for the individual dimensions. In crux, there is three level of constructs: one, several achievement indicators under each dimension, has been assigned weights; at the next level, weights for the six dimensional indices of devolution and finally at the third level, is the overall devolution index or call it the composite index of devolution. Weights for achievement indicators can therefore be looked from two perspectives, one in relation to the relevant dimension and the other in relation to overall index. Further, the weights for achievement indicators within the relevant dimension follow the order of decreasing importance from empowerment, enablement and facilitation. In our computation exercise the weighted aggregation at dimension level has been arrived by dividing the respective dimension by the total weights of the DI.

### **Seeking Response from States/UTs**

The study was commissioned in August 2013 and the questionnaire was canvassed to the state through post and email on 10 December 2014. The Ministry of Panchayati Raj, Government of India also followed up. In addition, a number of documents were also sought so that we could make sound judgments about certain qualitative questions.

### **Validation of Data**

Validation process, also involved field visits to different panchayats from 23 states and the data obtained from such panchayats at all three levels from respective states were cross checked with our database of devolution that was created. Investigators visited 23 states and the data was obtained and validated by the agency, Indicus Analytics. Based on the visits made, the validators commented on the inaccuracies in the data and also on various achievements that were not included in the indicators. The survey team in the states collected data from a handful of panchayats. These panchayats were selected on the basis of the information provided by the states. Data obtained by the 13<sup>th</sup> Finance Commission from states and Finance Accounts published by the C&AG have been taken into consideration for various analysis. Secondary data from the official website of the MoPR, GoI, PriaSoft, PlanPlus, Local Government Directory, State Panchayati Raj Departments and their respective websites, Reserve Bank of India and State Accountant Generals have also been used.

In this sense, we were able to quantify the relative performance of the States in putting together an environment for effective devolution in rural India..

Finally, the data, results and the other features of the study were presented and discussed on at the Ministry of Panchayati Raj in meetings held during March 2014.

## Chapter 4

### Devolution across States: Empirical Assessment and Analysis

Comparing devolution across states and union territories is an exercise towards ranking the states on the enabling environment created by them for the *panchayats* to function under. This chapter seeks to analyse the extent to which states have devolved their powers and resources to *panchayats* promoting economic development and social justice. Comparison in the present exercise, as discussed earlier, has been made by involving the dimensions of Capacity Building and Accountability along with Framework, Functions, Finances and Functionaries. The endeavour aims at taking a step ahead in analysing the approaches adopted by each state and union territory towards democratic governance and efficient service delivery at the local level. The forthcoming section of this chapter discusses the empirical assessment of devolution to *panchayats*.

In the study, the enabling environment created by a state is compared with that of others in terms of various indicators identified. National average for each of the indicators and dimensions has also been computed. First, a description of computation for each dimension or sub index is presented in a table along with the values of their respective indicators. States are ranked according to the overall devolution index as well as by each of the six dimensions. Further, a comparative analysis of dimension-wise achievements in devolution, by states, is made. All values are shown in percentages to make comprehension easy.

Two set of indices have been computed -- one relating to cumulative performance and the other to incremental performance. For the purpose, a mix of closed-ended and open-ended questions were prepared to assess the stock as well as the recent initiatives undertaken by the states towards devolution to *panchayats* since April 2012. In the analysis, the North Eastern states and union territories have been treated separately in the tables on Devolution Index (DI) to enable a cross comparison between the two.

It may be noted that the scores and ranks of each dimension, index and national averages are not strictly comparable with that of previous exercises by the same author. This is mainly due to the inclusion/deletion of questions/indicators every year in various consultations with various stake holders.

#### **Cumulative Devolution Index: Overall**

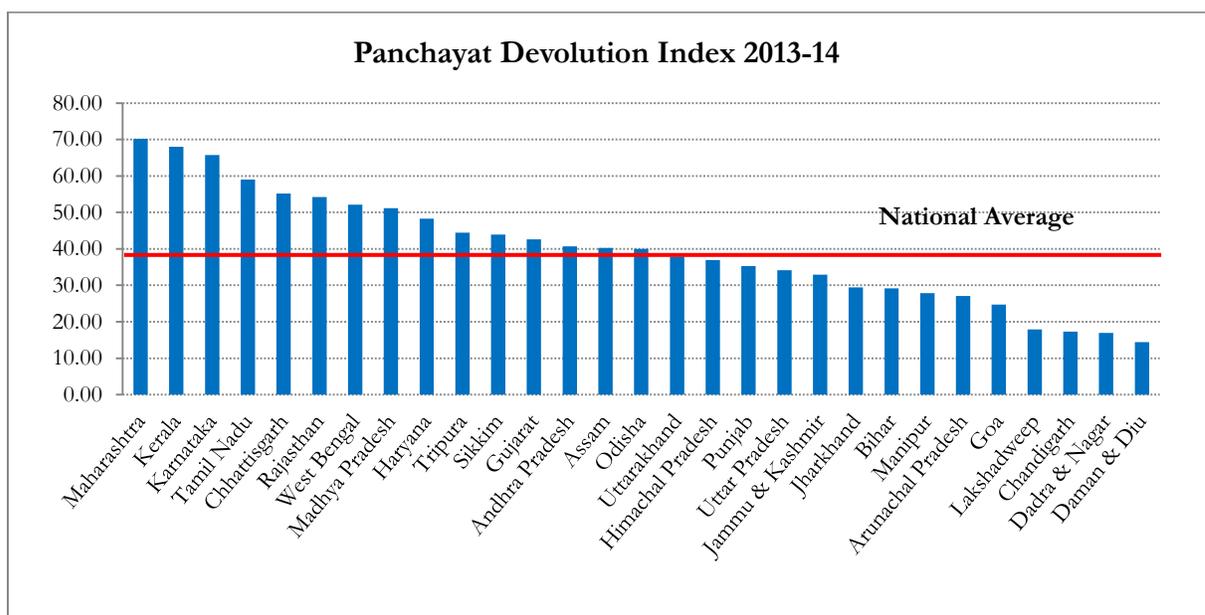
The Cumulative Index presents the overall scores and ranks for states/UTs on six identified dimensions. Table 4.1 gives the values of sub-indices or dimensional indices as well as the overall DI, which forms the basis to present the ranks of states/UTs.

Table 4.1: Panchayat Devolution Index and sub-Indices

Ranks	States	Framework D <sub>1</sub>	Functions D <sub>2</sub>	Finances D <sub>3</sub>	Functionaries D <sub>4</sub>	Capacity Building D <sub>5</sub>	Accountability D <sub>6</sub>	PDI
1.	Maharashtra	74.01	63.26	59.03	78.91	78.24	80.24	70.21
2.	Kerala	72.65	61.61	68.37	71.09	60.70	74.77	68.00
3.	Karnataka	70.08	63.14	61.32	65.43	70.15	70.25	65.75
4.	Tamil Nadu	66.14	53.71	56.88	55.63	60.06	65.99	58.98
5.	Chhattisgarh	69.12	48.24	48.81	53.44	55.24	67.15	55.16
6.	Rajasthan	66.82	51.99	45.41	40.23	69.15	64.82	54.23
7.	West Bengal	62.96	54.67	39.09	38.82	79.24	54.42	52.09
8.	Madhya Pradesh	62.93	50.22	41.43	46.01	57.15	62.77	51.14
9.	Haryana	76.90	34.47	41.53	54.41	45.70	52.91	48.27
10.	Gujarat	54.12	40.24	28.43	56.50	51.15	43.26	42.61
11.	Andhra Pradesh	50.53	11.44	31.97	50.38	62.70	49.11	40.69
12.	Assam	51.77	42.83	26.69	30.86	62.06	44.76	40.26
13.	Odisha	58.74	51.46	42.03	35.43	13.97	42.26	39.95
14.	Uttarakhand	54.87	41.47	21.05	31.07	42.55	58.72	37.87
15.	Himachal Pradesh	50.26	21.58	30.89	38.97	39.09	51.49	36.96
16.	Punjab	60.58	28.08	23.80	30.31	38.76	50.09	35.28
17.	Uttar Pradesh	55.20	41.04	35.74	18.68	29.67	29.73	34.11
18.	Jammu & Kashmir	29.67	19.29	34.53	22.00	56.36	33.16	32.95
19.	Jharkhand	56.61	20.36	12.30	36.40	44.91	31.97	29.40
20.	Bihar	48.21	39.49	16.82	24.45	41.88	22.74	29.15
21.	Goa	44.21	17.78	18.21	43.06	10.30	27.94	24.75
	<b>North Eastern States</b>							
1.	Tripura	57.37	47.49	32.53	47.69	45.52	52.53	44.48
2.	Sikkim	63.97	45.72	44.87	36.19	36.82	41.90	43.95

Ranks	States	Framework D <sub>1</sub>	Functions D <sub>2</sub>	Finances D <sub>3</sub>	Functionaries D <sub>4</sub>	Capacity Building D <sub>5</sub>	Accountability D <sub>6</sub>	PDI
3.	Manipur	52.73	14.17	17.64	22.59	39.24	39.34	27.87
4.	Arunachal Pradesh	46.09	29.21	16.71	22.09	38.97	25.79	27.03
<b>Union Territories</b>								
1.	Lakshadweep	38.36	20.79	6.87	19.95	14.24	25.14	17.91
2.	Chandigarh	28.53	6.11	19.75	18.93	12.73	19.02	17.30
3.	Dadra & Nagar	34.52	1.67	1.07	40.30	16.12	29.94	16.98
4.	Daman & Diu	49.02	3.43	5.58	20.29	3.64	24.78	14.40
	<b>National Average</b>	<b>55.41</b>	<b>35.34</b>	<b>32.05</b>	<b>39.66</b>	<b>44.01</b>	<b>46.10</b>	<b>39.92</b>

Source: Author's calculation

*Exhibit 4.1*

Based on the weighted aggregation of six dimensional sub-indices, the composite DI is computed for the states/UTs. Table 4.1 and Exhibit 4.1 depicts that state of Maharashtra ranks first for the year 2013-14 with an index value of 70.21 followed by Kerala (68.00), Karnataka (65.75), Tamil Nadu (58.98) and Chhattisgarh (55.16). Further, Rajasthan is ranked sixth with a score above 50. The scores highlight a significant gap between the top two performers and the rest.

It may be noted that the states namely West Bengal and Madhya Pradesh are above 50 i.e. 52.09 and 51.14, respectively. State of Haryana, Gujarat, Andhra Pradesh, Assam, Odisha, along with the North Eastern states of Tripura and Sikkim emerged as the medium scorers with values above the national average i.e. 39.92.

#### **Cumulative Index: Dimensional**

Tables 4.1 and 4.2 also present the dimensional indices or devolution sub-indices. States have been ranked in each of the dimensions and values have also been presented for instant comparison.

Table 4.2: States/UTs with Devolution Sub-indices according to Ranks and Values

Ranks	Framework (D <sub>1</sub> )		Functions (D <sub>2</sub> )		Finances (D <sub>3</sub> )		Functionaries (D <sub>4</sub> )		Capacity (D <sub>5</sub> )	Building	Accountability (D <sub>6</sub> )	
	State	Value	State	Value	State	Value	State	Value	State	Value	State	Value
1.	Haryana	76.90	Maharashtra	63.26	Kerala	68.37	Maharashtra	78.91	West Bengal	79.24	Maharashtra	80.24
2.	Maharashtra	74.01	Karnataka	63.14	Karnataka	61.32	Kerala	71.09	Maharashtra	78.24	Kerala	74.77
3.	Kerala	72.65	Kerala	61.61	Maharashtra	59.03	Karnataka	65.43	Karnataka	70.15	Karnataka	70.25
4.	Karnataka	70.08	West Bengal	54.67	Tamil Nadu	56.88	Gujarat	56.50	Rajasthan	69.15	Chhattisgarh	67.15
5.	Chhattisgarh	69.12	Tamil Nadu	53.71	Chhattisgarh	48.81	Tamil Nadu	55.63	Andhra Pradesh	62.70	Tamil Nadu	65.99
6.	Rajasthan	66.82	Rajasthan	51.99	Rajasthan	45.41	Haryana	54.41	Kerala	60.70	Rajasthan	64.82
7.	Tamil Nadu	66.14	Odisha	51.46	Odisha	42.03	Chhattisgarh	53.44	Tamil Nadu	60.06	Madhya Pradesh	62.77
8.	West Bengal	62.96	Madhya Pradesh	50.22	Haryana	41.53	Andhra Pradesh	50.38	Madhya Pradesh	57.15	Uttarakhand	58.72
9.	Madhya Pradesh	62.93	Chhattisgarh	48.24	Madhya Pradesh	41.43	Madhya Pradesh	46.01	Jammu & Kashmir	56.36	West Bengal	54.42
10.	Punjab	60.58	Uttarakhand	41.47	West Bengal	39.09	Goa	43.06	Chhattisgarh	55.24	Haryana	52.91
11.	Odisha	58.74	Uttar Pradesh	41.04	Uttar Pradesh	35.74	Rajasthan	40.23	Gujarat	51.15	Himachal Pradesh	51.49
12.	Jharkhand	56.61	Gujarat	40.24	Jammu & Kashmir	34.53	Himachal Pradesh	38.97	Haryana	45.70	Punjab	50.09
13.	Uttar Pradesh	55.20	Bihar	39.49	Andhra Pradesh	31.97	West Bengal	38.82	Jharkhand	44.91	Andhra Pradesh	49.11
14.	Uttarakhand	54.87	Haryana	34.47	Himachal Pradesh	30.89	Jharkhand	36.40	Uttarakhand	42.55	Gujarat	43.26
15.	Gujarat	54.12	Punjab	28.08	Gujarat	28.43	Odisha	35.43	Bihar	41.88	Odisha	42.26
16.	Andhra Pradesh	50.53	Himachal Pradesh	21.58	Punjab	23.80	Uttarakhand	31.07	Himachal Pradesh	39.09	Jammu & Kashmir	33.16
17.	Himachal	50.26	Jharkhand	20.36	Uttarakhand	21.05	Punjab	30.31	Punjab	38.76	Jharkhand	31.97

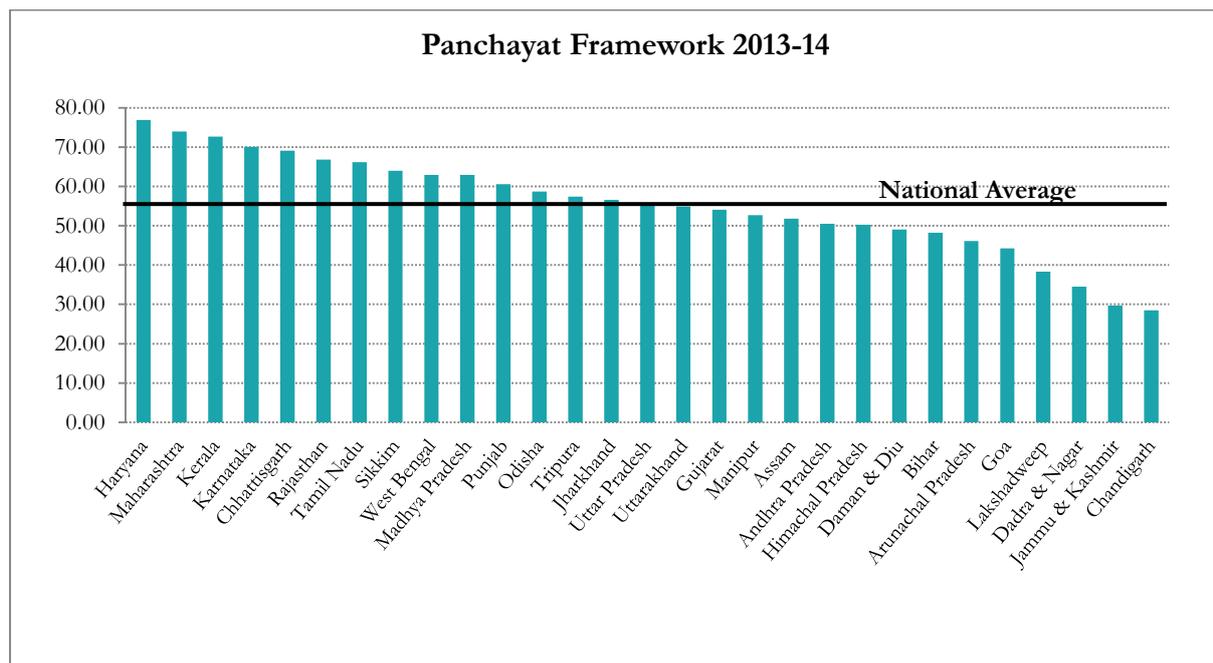
	Pradesh											
18.	Bihar	48.21	Jammu & Kashmir	19.29	Goa	18.21	Bihar	24.45	Uttar Pradesh	29.67	Uttar Pradesh	29.73
19.	Goa	44.21	Goa	17.78	Bihar	16.82	Jammu & Kashmir	22.00	Odisha	13.97	Goa	27.94
20.	Jammu & Kashmir	29.67	Andhra Pradesh	11.44	Jharkhand	12.30	Uttar Pradesh	18.68	Goa	10.30	Bihar	22.74
<b>North- Eastern</b>												
1.	Sikkim	63.97	Tripura	47.49	Sikkim	44.87	Tripura	47.69	Assam	62.06	Tripura	52.53
2.	Tripura	57.37	Sikkim	45.72	Tripura	32.53	Sikkim	36.19	Tripura	45.52	Sikkim	41.90
3.	Manipur	52.73	Assam	42.83	Assam	26.69	Assam	30.86	Manipur	39.24	Assam	44.76
4.	Assam	51.77	Arunachal Pradesh	29.21	Manipur	17.64	Manipur	22.59	Arunachal Pradesh	38.97	Manipur	39.34
5.	Arunachal Pradesh	46.09	Manipur	14.17	Arunachal Pradesh	16.71	Arunachal Pradesh	22.09	Sikkim	36.82	Arunachal Pradesh	25.79
<b>Union Territories</b>												
1.	Daman & Diu	49.02	Lakshadweep	20.79	Chandigarh	19.75	Dadra & Nagar	40.30	Dadra & Nagar	16.12	Dadra & Nagar	29.94
2.	Lakshadweep	38.36	Chandigarh	6.11	Lakshadweep	6.87	Daman & Diu	20.29	Lakshadweep	14.24	Lakshadweep	25.14
3.	Dadra & Nagar	34.52	Daman & Diu	3.43	Daman & Diu	5.58	Lakshadweep	19.95	Chandigarh	12.73	Daman & Diu	24.78
4.	Chandigarh	28.53	Dadra & Nagar	1.67	Dadra & Nagar	1.07	Chandigarh	18.93	Daman & Diu	3.64	Chandigarh	19.02
	<b>Average</b>	<b>55.41</b>	<b>Average</b>	<b>35.34</b>	<b>Average</b>	<b>32.05</b>	<b>Average</b>	<b>39.66</b>	<b>Average</b>	<b>44.01</b>	<b>Average</b>	<b>46.10</b>

Source: Author's calculation

### **Framework (D<sub>1</sub>)**

In the Framework dimension, an attempt is made to include indicators related to the mandatory framework of the Constitution. Table 4.2 shows that Haryana ranks first with a score of 76.90 followed by Maharashtra (74.01), Kerala (72.65), and Karnataka (70.08). Chhattisgarh, Rajasthan and Tamil Nadu are next in this order. Sikkim and Tripura are among those north-eastern states that are above the national average of 55.41.

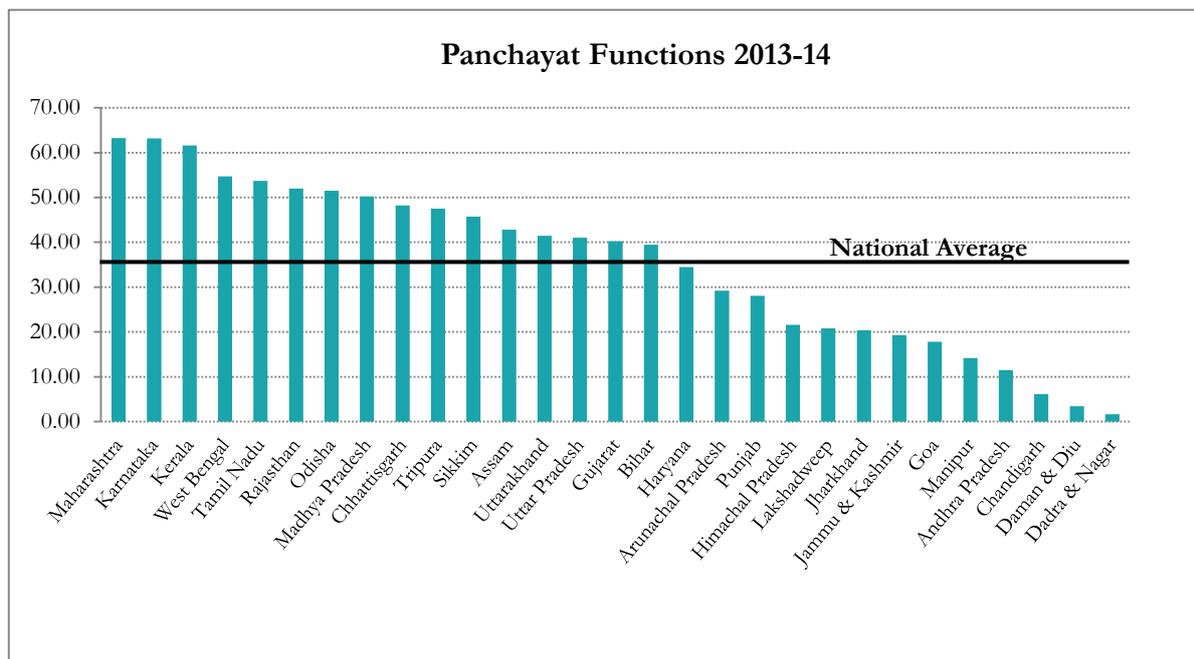
*Exhibit 4.2*



### **Functions (D<sub>2</sub>)**

In the dimension of Functions, Maharashtra tops the list with an index value of 63.26. Karnataka and Kerala closely follow with 63.14 and 61.61 respectively. West Bengal, Tamil Nadu, Rajasthan, Odisha and Madhya Pradesh are other states in that order with scores over 50. It can be noticed that 16 states including three North Eastern states are placed above the national average of 35.34, while all the UTs have scored less.

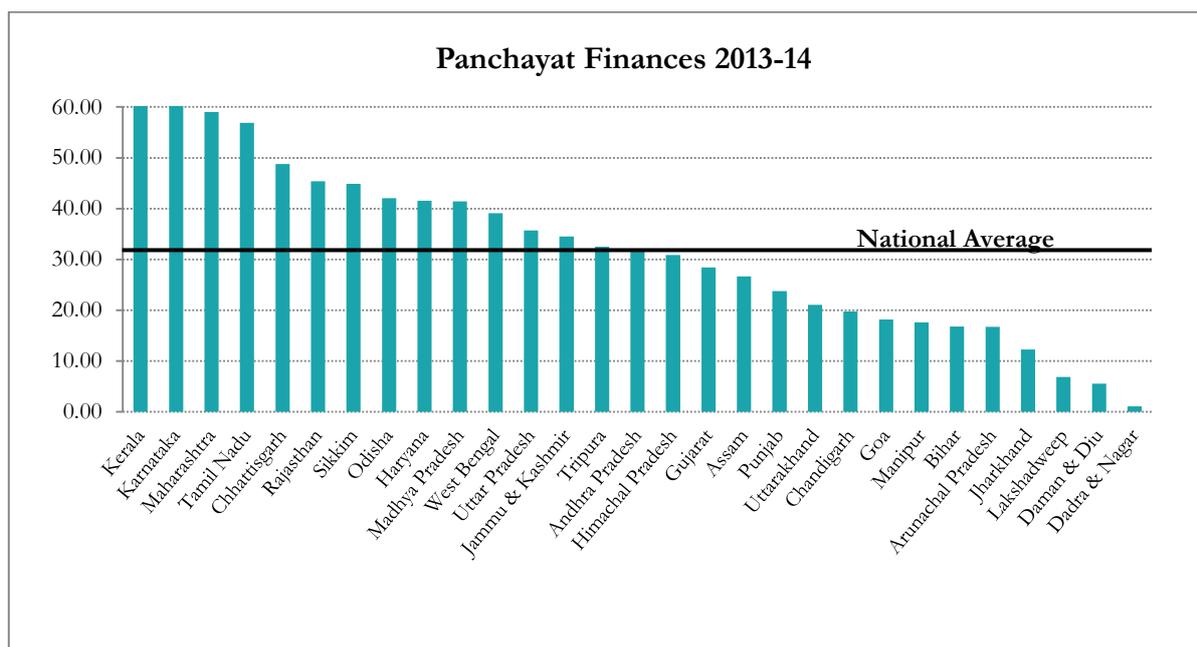
Exhibit 4.3



### **Finances (D<sub>3</sub>)**

Finances are the most important dimension, carrying the maximum weightage in the index. From Alok (2013), the dimension of finances has been modified further by adding few questions in the section on 'taxes', 'funds available with *panchayat*' and 'expenditures of *panchayats*'. Table 4.2 and Exhibit 4.4 depicts that Kerala is leading with an index value of 68.37 followed by Karnataka, Maharashtra and Tamil Nadu with values of 61.32, 59.03 and 56.88 respectively. Disappointingly, the dimension with maximum indicators registers a low national average of 32.05. However, 13 states including two North Eastern states i.e., Sikkim and Tripura are above the national average in this sub-index.

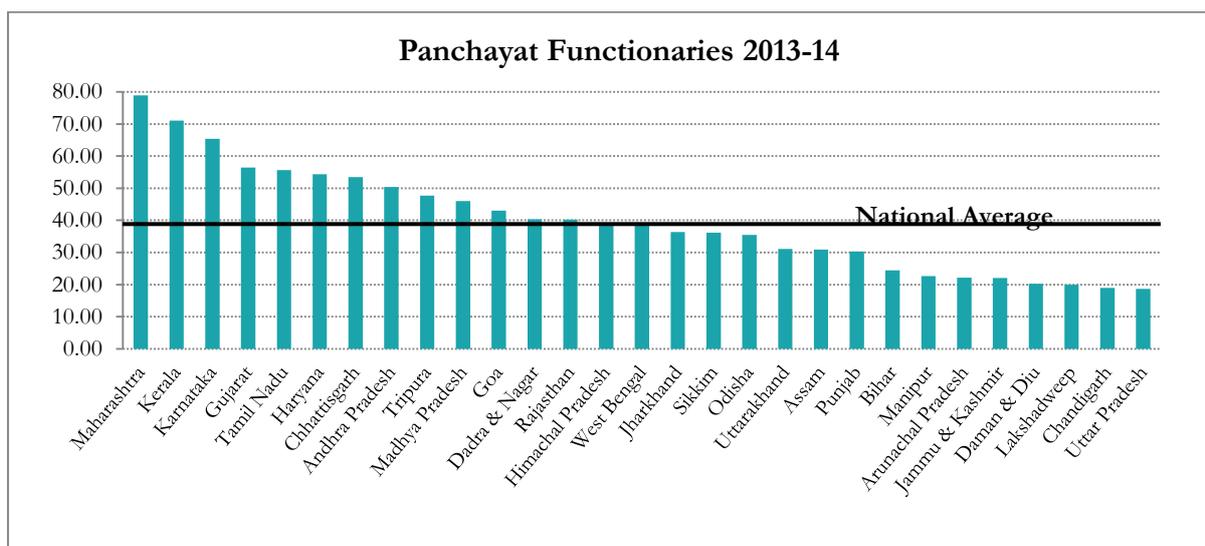
Exhibit 4.4



#### **Functionaries (D<sub>4</sub>)**

The dimension of Functionaries enjoys greater influence due to its relevance in strengthening *panchayats*. As revealed by Table 4.2 and Exhibit 4.5, Maharashtra ranks the highest with the value of 78.91. Kerala is ranked second in this dimension with a score of 71.09 followed by Karnataka with index value of 65.43. Gujarat, Tamil Nadu, Haryana, Chhattisgarh and Andhra Pradesh have secured scores above 50.0 along with a North Eastern state of Tripura (47.69). Scores of four other states and the union territory of Dadra & Nagar Haveli (40.30) are above the national average of 39.66.

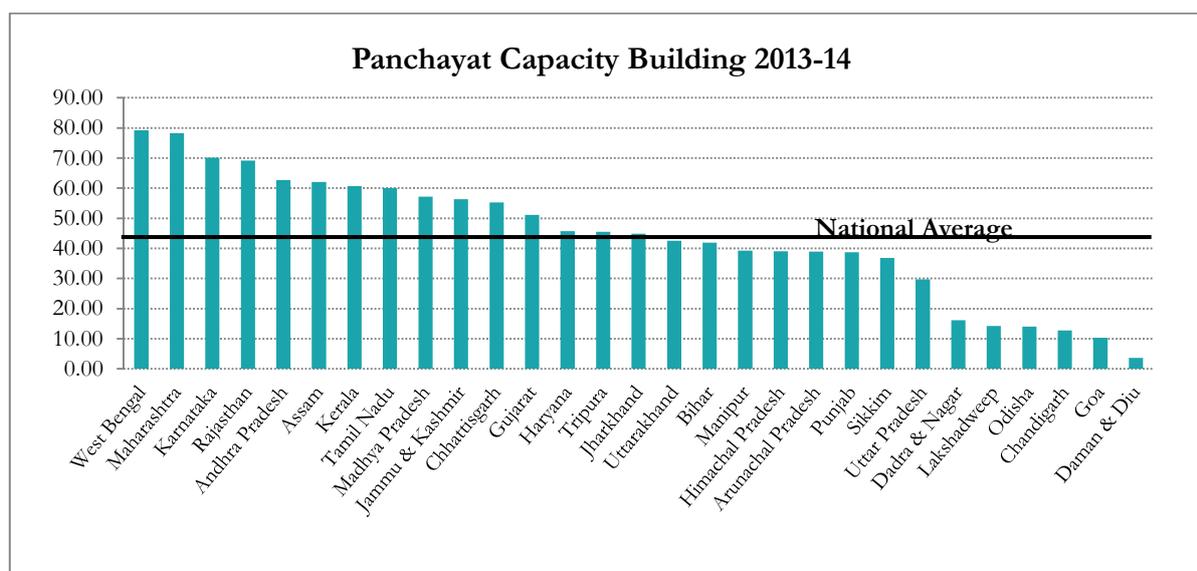
Exhibit 4.5



### Capacity Building (D<sub>5</sub>)

The dimension of Capacity Building helps in capturing various measures of the states in the strengthening of *panchayats*. From Table 4.2 and Exhibit 4.6, it can be observed that West Bengal secures first rank in Capacity Building dimension with the value of 79.24 closely followed by Maharashtra, Karnataka and Rajasthan, with values of 78.24, 70.15 and 69.15 respectively. Eleven states scored more than the national average of 44.01. It is heartening to note that Jammu & Kashmir has made a remarkable achievement in capacity building by scoring an index value of 56.36, which augurs well and conveys commitment by the state to strengthen *panchayats*.

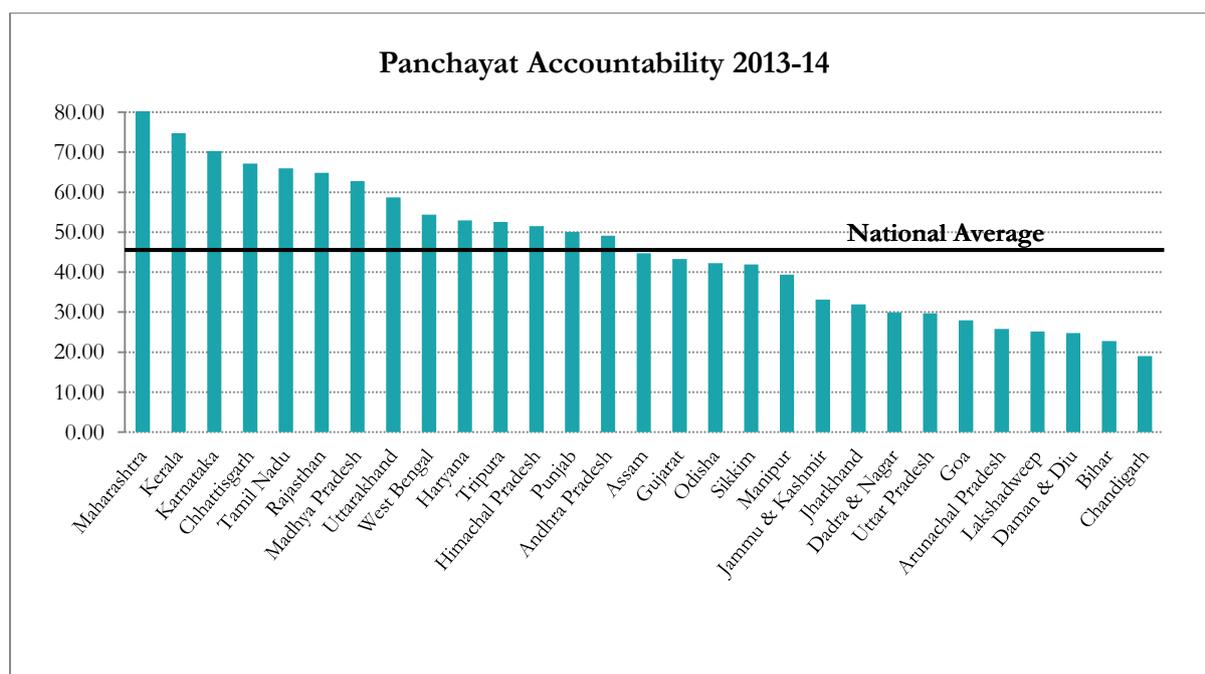
Exhibit 4.6



### Accountability (D<sub>6</sub>)

‘Accountability’ has been identified as an important dimension, in making *panchayats* answerable to the people and working in a fair and efficient manner. In this dimension as shown in Table 4.2 and Exhibit 4.7, Maharashtra ranks first with index value of 80.24 followed by Kerala, Karnataka and Chhattisgarh with values of 74.77, 70.25 and 67.15 respectively. Tamil Nadu, Rajasthan, Madhya Pradesh, Uttarakhand, West Bengal, Haryana, Tripura, Himachal Pradesh and Punjab are other states in descending order with value more than 50. As many as fourteen states including Tripura, a North Eastern state, scored more than the national average, i.e. 46.10.

*Exhibit 4.7*



Thus, from a comparative analysis of all these dimensions and its indicators, various aspects can be inferred. It can be concluded from the analysis of the dimensions of Functions and Finances that devolution in financial domain, in general, falls short of that in functional domain. It is also found that the achievement in all the dimensions except mandatory framework is below par.

### Ranking of States

It is clear from Table 4.1 and Exhibit 4.1 that Maharashtra tops the chart in the composite Devolution Index, as well as in the key sub-indices of Functions, Accountability and Functionaries. Overall indicator analysis shows that the state has performed pretty well in almost all indicators identified in the study. The state devolves good number of functions to *panchayats* at the same time *panchayats* have been assigned sufficient roles in the vertical schemes designed by the upper levels of governments. The state is among the front runners in releasing the Thirteenth Finance Commission grant in time. *Panchayats* in the state enjoy maximum power to levy taxes and non-taxes. *Panchayats* in Maharashtra utilise funds adequately and share the top slot with their counterparts as far as the indicator related to fund utilisation and expenditure are concerned. Under the Functionaries dimension, the state provides the best physical infrastructure to *panchayats* along with the required staff and proper connectivity. The state ranked top in the Accountability dimension as well with good scores in the indicator of ‘accounting and audit’ and stands outstanding in the indicator of ‘panchayat assessment and incentives’. In Capacity Building dimension, the state ranks second and has the best framework of training on one hand and implementation on the other.

It may be recollected that Maharashtra has historical background of strong legal and policy framework. A comprehensive Act for *zilla* (district) *parishad* and *panchayat samiti* was enacted way back in 1966. A separate Act is in place for *gram panchayats*. Time to time amendments has been made. Development cadre at *zilla parishad* level, in particular, executes these elaborated legal provisions. It may also be recollected that the state had received awards in the past under composite devolution index, for creating the environment for the panchayats to function as institutions of self-government.

Kerala follows Maharashtra in the composite Devolution Index. Kerala occupies first place in Finances, second position in Accountability and Functionaries and ranked third in the dimensions of Framework and Functions. Functioning of panchayats in the state is considered highly transparent. The state devolves maximum numbers of functions to panchayats and at the same time has a transparent system of transferring money under panchayat's window. The institution of state finance commission in Kerala has emerged to be the most effective in the recent past. Kerala has adequate staffs for the effective functioning of panchayats as found from the study. Under the indicator of 'fund availability' the state secured the highest scores. Furthermore, panchayats of Kerala are strong in implementing social audit. The state is good in training panchayat officials. So far as the indicator of 'functioning of gram Sabha' and 'accounting and audit' is concerned, the state ranks first, and in terms of e-connectivity of panchayats, the state is second. The provisions related to *gram sabha* in the state are considered the best among all the states. In Functionaries dimension, it scored high marks due to good infrastructural support.

Karnataka is ranked third in the overall Devolution Index. Karnataka occupies the second place in Functions and Finances and third place in Accountability, Functionaries and Capacity Building dimensions. Karnataka is as good as Maharashtra in releasing the Thirteenth Finance Commission grants to panchayats on time. The state has also devolved a good number of functions to panchayats. The state of Karnataka scored second in the indicator of vertical schemes. In Functionaries and Capacity Building dimensions, it scored high marks due to good infrastructural support provided by the state. Like Maharashtra, panchayats in the state have been assigned maximum powers to collect taxes and non-taxes. Panchayats in the state are more transparent than that of other states including Kerala and Maharashtra. Furthermore, panchayats of Karnataka are strong in implementing social audit. The state has an efficient capacity building framework to train functionaries at the panchayats, particularly the elected representatives. Above all, the panchayats gets the largest share in total public expenditure of the state compared to that of others.

Tamil Nadu is ranked fourth in the overall index. With an enviable score it ranks fourth in the Finances dimension. The system of transfer of grants through Thirteenth Finance Commission is quite remarkable in the state. Panchayat officials at local level are accountable to panchayats. The state has scored high marks in the indicator related to the 'state finance commission'. In the dimension of Capacity Building, the state is good in assessing the need and conducting training for panchayats' representatives and officials. The state of Tamil Nadu, seems to perform well in the indicators of 'performance assessment and incentivisation', devolving functions to panchayats and also in terms of 'training institutions'.

The performance of Chhattisgarh has been remarkable in the overall index and is ranked fifth and scored well in the dimension of Framework. Panchayats in the state have been assigned sufficient roles in the vertical schemes. The state of Chhattisgarh is taking efforts towards accountability and ranks fourth position in the dimension. The provisions and functioning of 'gram sabha' in the state and measures towards 'transparency and anti-corruption' and 'accounting and audit' is as good as that of many other top ranking states. In the indicator of e-Connectivity of panchayat, the state is third. Chhattisgarh has adequate staff for the functioning of panchayats.

**Table 4.3: Categorising States/UTs on the basis of DI Scores:**

Category of States	States
Very High > 60	Maharashtra (70.21), Kerala (68.00) and Karnataka (65.75)
High >55 and ≤60	Tamil Nadu (58.98) and Chhattisgarh (55.16)
Medium >50 and ≤55	Rajasthan (54.23), West Bengal (52.09) and Madhya Pradesh (51.14)
Low >39.92 and ≤50	Haryana (48.27), Tripura (44.48), Sikkim (43.95), Gujarat (42.61), Andhra Pradesh (40.69), Assam (40.26) and Odisha (39.95)
Very Low below National Average (39.92)	Uttarakhand (37.87), Himachal Pradesh (36.96), Punjab (35.28), Uttar Pradesh (34.11), Jammu & Kashmir (32.95), Jharkhand (29.40), Bihar (29.15), Manipur (27.87), Arunachal Pradesh (27.03), Goa (24.75), Lakshadweep (17.91), Chandigarh (17.30), Dadra & Nagar (16.98) and Daman & Diu (14.40)

As shown in Table 4.3, Maharashtra, Kerala and Karnataka which scored above 60 are considered as ‘very high’ in the score of overall Devolution Index followed by Tamil Nadu and Chhattisgarh, which are rated as high performing states. Rajasthan, West Bengal and Madhya Pradesh, scored between 50 and 55, and lie under the third category of ‘medium scorers’ whose performance is fairly well in all sub-dimensions. Similarly, there are seven other states which are categorised as ‘low performers’ in devolving powers to the *panchayats*. The seven states namely Haryana, Tripura, Sikkim, Gujarat, Andhra Pradesh, Assam and Odisha lie above the national average, i.e. 39.92. However, other fourteen states namely Uttarakhand, Himachal Pradesh, Punjab, Uttar Pradesh, Jammu & Kashmir, Jharkhand, Bihar, Goa and two Eastern states (Manipur and Arunachal Pradesh) along with four Union Territories (Lakshadweep, Chandigarh, Dadra & Nagar and Haveli Daman & Diu) are still below the national average of 39.92 and are considered as ‘very low performers’.

#### **Progress in States/UTs: Select Indicator Analysis**

Apart from the overall analysis of the devolution index, which shows the picture of devolution in general, it is also critical to know the performance of various states in select indicators. The highlights are as follows:

- ‘District planning committee’ a mandatory provision in the Constitution is an indicator which is used in computing the Index. Under this indicator, Maharashtra, Rajasthan, Karnataka, Tamil Nadu, Bihar, Haryana, Assam, Chhattisgarh seem to be active in terms of establishment of district planning committees (DPCs), conducting their regular meetings and also in the submission of district plans. Among all, Maharashtra scored the highest in the constitution and functioning of ‘district planning committees’. Though, it is interesting to note that almost all states have provisions related to constitution of DPCs in their Panchayat Acts, many of them display moderate performance in terms of functioning of DPCs. However, the performance of

states of Goa and Uttar Pradesh and UTs of Daman & Diu, Lakshadweep and Chandigarh under this indicator is not up to the mark.

- Autonomy to Panchayats here has been measured by looking into the aspect of the designation(s) of the authority(ies) who has/have the power to suspend or supersede (dissolve) panchayats, suspend or dismiss representatives of panchayats, and/or resend the resolutions for reconsideration or quash such resolutions. States such as Kerala, Rajasthan, Andhra Pradesh, Chhattisgarh seem to make provisions to ensure more autonomy to their panchayats compared to that of other States.
- It was observed that *Panchayats* in the states of Kerala, Tamil Nadu, Odisha, Maharashtra, West Bengal, Karnataka and Rajasthan have been assigned good number of functions. However, in other states, few functions are assigned and in varying degrees. Activity mapping remains a question in almost all states. For example, in Karnataka line departments have little understanding of the detailed activity mapping done in the Department of Panchayat Raj
- Vertical schemes are grant based transfers through the State Government from the Union Ministries and Planning Commission. These schemes are of varying nature with conditions. Matching contributions at different levels are also required in most schemes. Under the indicator of ‘involvement of *panchayats* in important vertical schemes’, some states have made impressive progress over a period of last five years. For example, Tripura is quite progressive followed by Karnataka which has good role in vertical schemes designed by the upper level of governments. Maharashtra, Madhya Pradesh and Chhattisgarh are other states in the descending order.
- Fiscal transfers through Union Finance Commission are important to meet the establishment cost and other day to day expenses of *panchayats*. Maharashtra, Karnataka, Rajasthan, Tamil Nadu, Gujarat and Haryana are among the states that release funds of Thirteenth Finance Commission to the *panchayats* on time. It was noticed that few states do not treat the 13<sup>th</sup> Finance Commission fiscal transfers as additionality but club it with other transfers from states to local self-governments.
- The autonomy and efficiency of technical institutions such as ‘State Finance Commission’ (SFC) is key to decentralized democracy. The SFC is the most important indicator within the dimension of Finances. The SFC plays an important role to assess the fiscal requirements of state governments and local self-governments. It also recommends, inter alia, the process of fiscal transfers from State to panchayat and municipality. Of late, Kerala due to its last SFC, is emerging as a leader in this indicator, followed by Tripura, Sikkim, Tamil Nadu and West Bengal. It may be noted that Tamil Nadu and Himachal Pradesh were leading in the past. Surprisingly, Maharashtra and Karnataka, two of the top performing states at the overall level, were lagging far in this indicator.
- The power of *panchayats* to impose and collect taxes and non-taxes is significant to impart strength to *panchayats*. In most states, the property tax contributes maximum revenue to *panchayats*. Out of the 24 states, a few namely, Maharashtra and Karnataka collect maximum tax followed by Sikkim, Andhra Pradesh, West Bengal and Madhya Pradesh.
- In the indicator of ‘accounting and audit, the states of Kerala, Maharashtra, Chhattisgarh, Tripura, Karnataka and Tamil Nadu, play a significant role in terms of developing and following rules and guidelines for accounting and audit. These states have also developed and adopted accounting softwares which ensure transparency in the activities of panchayats.
- Social Audit is a vital aspect to bring in transparency in *panchayats*. Kerala, Maharashtra, Karnataka, Tamil Nadu, Gujarat, Haryana, Madhya Pradesh and Rajasthan have scored well in the segment as compared to other states. Hence, it is safe to say that *panchayats* in these states are more transparent.

- ‘Gram Sabha’, a basic unit of local democracy, is deemed to safeguard the collective interests of citizens at the local level. It was noted that States of Kerala, Maharashtra, Chhattisgarh, Karnataka, Gujarat, Himachal Pradesh and Rajasthan, play a significant role in empowering their gram sabhas.
- Physical infrastructure of *panchayats* in almost all the states is reported to be good. It is found that the provisions of *pucca ghar* together with the basic infrastructure exist in most states for the working of *panchayats*. Availability of computers, scanners, printers, Lan/Wan facilities along with e-connectivity are reported by many states viz. Maharashtra, Karnataka, Kerala, Madhya Pradesh, Gujarat, Chhattisgarh, Tamil Nadu and Tripura. Most State Governments reported to have made arrangements of basic necessities which could strengthen the working of *panchayats*. However, it is difficult to ascertain the same on the basis of small sample survey.
- e-Connectivity has been identified as one of the objective of MoPR under RGPSA which aims at promoting the use of information technology (IT) at the grass root level in all rungs of *panchayats*. It aims at computerisation of *panchayats* process and its data so that the same are available to the public in electronic mode. In most of the states, software such as PriaSoft, PlanPlus, Local Government Directory, ServicePlus, etc. have been rolled out. This leads to strengthening the transparency of *panchayats* across states.
- Training of *panchayat* is key to strengthen *panchayats* and plays a critical role in the overall performance of *panchayat*. West Bengal attained remarkably well in this indicator followed by Maharashtra, Karnataka and Rajasthan.

### The Incremental Index: Overall

The Incremental Devolution Index is based on the recent initiatives that the states have undertaken since April 2012. The index is created on two categories of initiatives. Firstly, the initiatives are listed by the states under various heads of Framework, Functions, Finances, Functionaries, Capacity Building and Accountability. Then, they are scored on three parameters that reflect the commitment of the state to empower *panchayats* and promote their accountability: (a) Institutional Strengthening of *panchayats*, (2) Improvement in Process and (3) Improvement in Delivery of Services and Accountability of *Panchayats*.

Each initiative is awarded one to ten marks for each of the parameters. Thus, it can score a maximum of thirty points if the initiative qualifies the best for all parameters. We have taken a maximum of four initiatives undertaken by the states. Henceforth, each state can be awarded with a maximum of 120 marks. The exercise has been undertaken on the basis of data provided by each state.

Each state therefore has received scores on four major initiatives as reported by each state. These scores are then aggregated using an equal weights approach. This has yielded the final scores on the basis of which states have been ordered.

Results of the incremental exercise are presented in Table 4.4. There are in all 8 states which have taken initiatives that could be considered worthy on the above parameters. Table 4.4 reveals that Maharashtra has scored the maximum index value of 64.20 followed by Kerala and Chhattisgarh. Other significant scorers are Andhra Pradesh, Arunachal Pradesh and Bihar, who made significant contribution for strengthening panchayats and for the first time came forward under this parameter along with other states followed by states of Karnataka and Rajasthan. The initiatives undertaken from April 2012 till December 2013 have only been considered. The good initiatives made public before and after the period have not been considered in the present analysis.

**Table 4.4: Incremental Panchayat Devolution Index 2013-14**

<b>States</b>	<b>Index Value</b>	<b>Rank</b>
Maharashtra	64.20	1
Kerala	55.56	2
Chhattisgarh	43.21	3
Andhra Pradesh	32.10	4
Arunachal Pradesh	30.86	5
Bihar	25.93	6
Karnataka	22.22	7
Rajasthan	11.11	8

### **Good Practices Initiated by States since April 2012 to Strengthen Panchayats: A Select List**

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With the passage of 2 decades since the initiation of the 73rd Constitutional Amendment Act of 1993, measures have been taken by various states to strengthen the panchayats and there are various success stories and good practices initiated to bring into reality the system of rural local self-government. The measures taken by states ranges from strengthening of gram sabhas, promotion of transparency, accountability and e-governance, efficient delivery of services, infrastructure development, performance assessment, etc. Some of the initiatives taken by few states, that serve as a model for replica has been discussed here:

#### **Maharashtra – towards creation of vibrant panchayats with inclusive measures**

Village Development Plans through Micro Planning Process is a pioneering initiative of the Government of Maharashtra, for the purpose of preparing integrated bottom up plans of Panchayats (GR dated 4 August 2012). The tool of micro planning is being scaled up (424 GPs in pilot phase and 258 GPs in scale up phase) under BRGF for generating integrated district plans.

The Government of Maharashtra, has taken a progressive technological step on 25th June 2013 ‘SMS updates for Gram Sabha’ for raising mass awareness among the villagers. Under this initiative, the Gramsevak with the help of gram panchayat employees and Bharat Nirman Volunteers compile the database of the mobile numbers of all voters in the village panchayat jurisdiction. With the help of SANGRAM Data Entry Operators at village, block and district level, the Gramsevak of the respective village panchayats circulate the dates of Gram Sabhas and the respective agendas to all the voters in the village panchayat jurisdiction through SMS. For these text messages, free bulk message services like way2sms.com is used.

On 1 November 2013, the State of Maharashtra also has initiated the ‘e-banking services’ in around 22,000 gram panchayats of the States. The main purpose of this initiative is to promote the gram panchayats as epicenters of economic transactions and regulates the flow of local credits to the panchayats. This programme generates employment for the youth in rural areas and also simultaneously generates revenue for village panchayat.

Apart from this, the GoM has created a Panchayat Parishad – a federation of elected representatives, resource persons/experts under the chairmanship of Hon. Minister of Rural Development (GR dated 31 December 2013) to give a platform to the elected representatives to voice their opinions against the hurdles faced by them in governance.

#### **Kerala launched Gramayatra and Local Government Commission**

Gramayathra is a Mass Mobilisation Programme initiated by the Government of Kerala on 12 January 2012 for the purpose of strengthening the grama sabha. It is conducted in all Legislative constituencies where MLAs together with panchayat presidents participate and special Grama Sabha meetings are held to educate the people on the importance of Grama Sabha. Through gramayathra, awareness is created amidst the people on their roles and responsibilities as citizens. The main aim of this initiative is to make Gramasabha as a forum for Good Governance through participation and Social Audit. Further, it bridges the existing gap between different channels of development activities in a given Gramasabha area.

In order to give strength to institutionalisation process of decentralisation, Government of Kerala has set up a Local Government Commission on 22 October 2012. The main purpose of this commission is to review the laws and rules enforced and the staffing system in local government and recommend revamping and strengthening to improve its quality and efficiency. Further, the commission is also to make an assessment of the capacity building measures, transparency and accountability system and to suggest improved management practices in different aspects of local government functioning.

To improve the quality of service of grama panchayats, the Government of Kerala has taken initiatives to get ISO 9001:2008 certifications for panchayats. Assistance is offered to selected panchayats for ISO standardization for quality management. The guidelines for implementation of ISO standards in GPs, has been prepared by KILA and has been issued on 2 December 2013. Special training has been provided to elected representatives of panchayats on ISO and 220 GPs are trained so far.

Government of Kerala enacted the Right to Services Act on August 6, 2013, wherein the Director of Panchayats has brought 16 services of Grama Panchayats under the ambit of the Act, which includes civil registration, birth, death and marriage registration, trade licenses, issue of occupancy and ownership certificates etc. Various services renders by GPs in the state and its time limit, officers concerned, first and second appellate authorities and other information pertaining to the key services provided to the people are put under public domain.

### **Chhattisgarh –Creation of Swami Vivekananda Yuva Protsahan and Millennium Development Hub**

For the enhancement of rural development programmes and to encourage youths to engage in positive and creative works, Swami Vivekananda Yuva Protsahan scheme has been launched on 20 June 2013 by Chhattisgarh in all the 146 development blocks of the State. Rural youths in the age group of 15 to 35 years are involved in the socio-economic development of their village, through this scheme. Every year, each Janpad Panchayat will be provided with 6 lakh rupees. Key aspects mentioned in the circular related to the implementation of the scheme include, objective of the scheme, work area, financial arrangement, role of panchayats, implementation process, budget provision etc.

Millennium Development Hub (MDG) has been created under department of Panchayat & Rural Development as per letter dated 7 January 2013 for strengthening the three tiers of panchayat regarding achieving the aim and vision of Millennium Development Goals.

### **Andhra Pradesh constituted Mandal and District Training Councils**

The Government of Andhra Pradesh has constituted District Training Councils and Mandal Training Councils on 8 August 2013, for the continuous Management and Monitoring of Capacity Building and Training Programmes, being conducted for the elected representatives and functionaries of the district, mandal and gram panchayats. Through this initiative, about 2.20 lakhs of functionaries at the district and mandal level would be trained. This initiative is a measure forward for ensuring capacity building of the panchayat representatives and functionaries.

In order to make gram sabha a platform at the village level for ensuring Transparency, Accountability and Convergence of developmental and welfare programmes, the State of Andhra Pradesh has issued GOs on 30 July 2013 for strengthening gram sabhas. This initiative acts as a measure to empower GS, through which essential issues pertaining to the village such as, agricultural production plans, utilization of land funds, details of common lands of villages, transfer of ownership, etc. are placed before the GS. Such measure taken by the government, ensures effective peoples' participation, keep surveillance over quantity

and quality of works, raise issues pertaining to the village(s) concerned and ensure transparency and accountability in implementation of socio-economic development programmes.

#### **Arunachal Pradesh- Direct control of DRDA and CD under Zilla Parishad**

The Government of Arunachal Pradesh has issued 3 notifications on 14 November 2013, delegating powers of supervision and monitoring of schemes in respective jurisdiction of PRIs. The state has also placed the DRDA and CD Block under direct control of Zilla Parishad including all the functionaries.

#### **Bihar initiated Kala Jatha and Apki Sarkar Apke Dwar**

"Kala Jatha" has been initiated by the Government of Bihar on 6 August 2012 in about 6000 gram panchayats for strengthening Gram Sabha. This campaign is organised in collaboration with Information and Public Relation Department and Jan Siksha (Education Department). The main purpose of this Gram Sabha Campaign is to promote awareness amidst the elected representatives on their rights and duties and to ensure public participation.

The Government of Bihar launched a campaign "Apki Sarkar Apke Dwar" with a vision to make Gram Panchayats accountable to the general public for their work and to ensure transparency of their functioning. The campaign highlighted the need for providing office spaces to the GPs which usually operate in a highly informal manner, in the form of Panchayat Sarkar Bhawans (PSBs). The Government emphasized establishment of PSBs at all GPs as distinguished governance centres embodying the spirit of local self-governments. This integrated Centre of Local Governance would also act as a Centre for Direct Democracy. These centres will be accessible to common people with appropriate provisions of citizen reception centre and will also provide space within its campus for conduct of participatory meetings for common villagers, such as conduct of Gram Sabha, etc. It will provide a platform for addressing the problems of the rural people who regularly face difficulty in getting their work done at Gram Panchayat level for which they have to undertake multiple visits to various offices. It is expected that such initiative would make the Gram Panchayats more accountable and transparent in their functioning.

#### **Gandhi Sakshi Kayaka Software and E-Swathu introduced in Karnataka**

In order to bring in transparency in the execution of activities, the Government of Karnataka has introduced Gandhi Sakshi Kayaka Software, an online system for monitoring implementation of works on 20 September 2013. The workflow-based system, which also utilises Google Map, makes it mandatory for compulsory uploading of photos of works and related documents, failing which bills would not be generated. This software is managed by NIC and gives constant update on the progress of projects implemented.

e-Swathu software has been introduced by the Government of Karnataka, for the purpose of managing property records of villages. Through this software, the agricultural property records of GPs are electronically maintained. The property tax collection instruments, form number 9 and 11 are used as property documents to identify the land parcel for registration purpose. Through this software, there is maintenance of up-to-date records with respect to ownership, extent, dimension, etc., of properties under the jurisdiction of GPs. The other activities carried out using this software include, electronic data exchange with registration department, Local Town Planning Authorities, maintaining flags against each property with respect to government restrictions such as PTCL, Non alienation conditions, government / grama panchayat property, restrictions imposed by LPAs / Director town Planning etc. This software serves as an effective mechanism to promote accountability.



Annex 1 Table 1.1 Scoring Scheme

	Parameters	Score Matrix	Weights	Maximum	Minimum
<b>A</b>	<b>Basic Details of Panchayats</b>				
	Constitutional Provisions				
	General elections conducted by SEC (For newly created States, I & II Elections will be deemed as II & III Elections respectively)	Ist Election = 4		10	4
		IIInd Election = 6			
		IIIrd Election = 8			
		IVth Election = 10			
	Gap between two general elections	Gap > 6 & 1/2 yrs = 0		3	0
		Gap > 6 yrs, ≤ 6 & 1/2 yrs = 1			
		Gap > 5 & 1/2, ≤ 6 yrs = 2			
		On time (gap of 5 years) = 3			
	TOTAL		20	13	4
<b>B</b>	<b>Panchayat Elections</b>				
	Is the State Election Commission in place for conducting Panchayat Elections	Yes=2		2	0
		No= 0			
	If yes, what is the status of SEC in the State	High Court Judge = 5		5	0
		Chief Secretary = 3			
		Others (Specify) = 1			

	Whether, the provision for removal of the SEC is at par with a judge of High Court/ Chief Secretary/ others	Emolument Yes =2		2	0
		Emolument No = 0			
		Service Condition Yes = 2		2	0
		Service Condition No= 0			
		Removal Yes= 2		2	0
		Removal No = 0			
	What is the tenure of SEC	Years $\geq$ 5 = 2		2	0
		Years $\geq$ 4 & $<$ 5 = 1			
		Years $<$ 4 = 0			
	Do the SECs use Electronic Voting Machines	Yes= 2		2	0
		No=0			
	Whether financial support provided to SEC by the State for the purchase of EVMs	Yes= 2		2	0
		No=0			
	TOTAL		20	19	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>C</b>	<b>Dissolution and Bye Elections</b>				
	Number of Panchayats dissolved before the completion of 5 yrs term since 1 April 2010	1- 20% = 5		5	0
		21-40% = 4			
		41-60% = 3			
		61- 80 % = 2			
		81- 100 % = 1			
		Others = 0			
	Whether bye elections conducted within 6 months	Yes= 2		2	0
		No = 0			

	Number of Panchayat Head suspended	Yes=2		2	0
		No = 0			
	Number of Panchayat Members suspended	Yes=2		2	0
		No = 0			
	Number of Head removed	Yes=2		2	0
		No = 0			
	Number of members removed	Yes=2		2	0
		No = 0			
	What is the provision in case a Sarpanch is removed/suspended	SUBJECTIVE		2	0
	Who is in-charge of Panchayat Activities after removal	SUBJECTIVE		2	0
	TOTAL		10	19	0
<b>D</b>	<b>Constitution and Function of District Planning Committee</b>				
	Whether there are District Planning Offices	Yes= 2		2	0
		No = 0			
	Are there guidelines or rules to make the DPCs functional	Yes= 2		2	0
		No = 0			
	Whether the notification/order for DPC is issued by the State Government	Yes = 2		2	0
		No = 0			
	Number of Districts for which DPCs have been constituted	1- 20% = 1		5	0
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			

		81- 100 % = 5			
		No DPC=0			
	Whether Chairperson of DPC is an elected representative of Panchayats/ Municipal bodies	Yes = 2		2	0
		No = 0			
	Composition of members of DPCs			5	0
	ERs from DP	yes=1			
	ERs from Municipalities	yes=1			
	Nominated members	yes=1			
	Ex-officio members	yes=1			
	Reservation in DPC	Yes=1			
	Are there rules/norms regarding the number of DPC meeting in the state	Yes = 2		2	0
		No = 0			
	Number of DPCs submitted integrated plan to State Government in 2013-14 as percentage of total number of District in the State	1- 20% = 1		5	0
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
		Others = 0			
	Does the Plan of DPC form the part of State plan	Yes =2		2	0
		No = 0			
	Are the Gram Panchayats involved in planning at the local level	Yes = 2		2	0
		No = 0			

	Functions performed by DPC	SUBJECTIVE		5	0
	Support available to DPC	SUBJECTIVE		5	0
	TOTAL		15	39	0
<b>E</b>	<b>Role of Panchayats in Parallel Bodies/ Institutions</b>				
i	TOTAL			60	0
	RECENT INITIATIVES SINCE APRIL 2012				
ii	TOTAL			100	0
	RECENT INITIATIVES SINCE APRIL 2012				
	GRAND TOTAL (i&ii)		20	160	0
<b>F</b>	<b>Autonomy to Panchayats</b>				
	Suspension				
	<i>Authority that has the power to suspend:</i>				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			

		Lower than District Magistrate = 0			
	<i>Authority that has the power to suspend ERs of:</i>				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	Dismissal				
	<i>Authority that has the power to dismiss:</i>				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0

		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	<i>Authority that has the power to dismiss ERs of:</i>				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate/divisional comm = 3			
		Lower than District Magistrate = 0			

	Who has the power to resend the resolution for reconsideration:				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Who has the power to quash the resolution:				
	Gram Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Block Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			

		District Magistrate = 3			
		Lower than District Magistrate = 0			
	District Panchayats	State Legislature/ State Govt.= 10		10	0
		Intermediate/District Panchayat = 5			
		District Magistrate = 3			
		Lower than District Magistrate = 0			
	Is there provision of Charge Sheet by the State Government	Yes = 2		2	0
		No = 0			
	TOTAL		15	182	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>G</b>	<b>Functions Assigned to Panchayats and Actual Involvement of Panchayats</b>				
	TOTAL		50	500	100
	RECENT INITIATIVES SINCE APRIL 2012				
<b>H</b>	<b>Involvement of Panchayats in Important Schemes</b>				
	TOTAL		50	230	50
	RECENT INITIATIVES SINCE APRIL 2012				
<b>I</b>	<b>Thirteenth Finance Commission</b>	No data=1		10	1
		0.1 -2.5% = 2			
		2.6-5% = 4			
		5.1-7.5% = 6			
		7.6-10% = 8			
		> 10 %= 10			

	Total		15	10	1
<b>J(i)</b>	<b>State Finance Commission (SFC)</b>				
	Whether qualification and manner of selection of members of SFC are prescribed in the Act/ Rules	Yes = 2 No = 0		2	0
	Whether there is Permanent SFC Cell	Yes = 2 No = 0		2	0
	SFC constituted (For new States, 2nd SFC & 3rd SFC will be deemed as 3rd and 4th SFC respectively)	IIIrd SFC = 8 IVth SFC = 10		10	0
	Gap is more than 5 year in the constitution of two SFCs	Gap > 6 & 1/2 = 0 Gap > 6 yrs, ≤ 6 & 1/2 = 1 Gap > 5 & 1/2, ≤ 6 yrs = 2 Gap ≤ 5 & 1/2 yrs = 3		3	0
	Submission of report by the SFCs from the date of constitution	> 4 years = 0 3 years, ≤ 4 years = 1 2 years, ≤ 3 years = 2 < 2 years = 3		3	0
	ATR laid before the legislature from the date of submission of report by SFC	> 1 & 1/2 years = 0 > 1 year, ≤ & 1/2 year = 1 6 months, ≤ 1 year = 2 < 6 months = 3		3	0
	Most important recommendations of SFC accepted	SUBJECTIVE		5	0
	TOTAL (I)		15	28	0
<b>(ii)</b>	<b>Money Transfers to Panchayats on account of the SFC recommendation</b>				

	<b><i>Sanctioned to Budgeted</i></b>				
	% of Sanctioned amount to Budgeted in 2011-12	<40=1		6	1
		40-54%=2			
		55-69%=3			
		70-84%=4			
		85-99%=5			
		100%=6			
	% of Sanctioned amount to Budgeted in 2012-13	<40=1		6	1
		40-54%=2			
		55-69%=3			
		70-84%=4			
		85-99%=5			
		100%=6			
	TOTAL (i)			12	2
	<b><i>Released to Sanctioned</i></b>				
	% of Sanctioned amount to Budgeted in 2012-13	<40=1		6	1
		40-54%=2			
		55-69%=3			
		70-84%=4			
		85-99%=5			
		100%=6			
	% of Sanctioned Amount released 2013-14	<40=1		6	1
		40-54%=2			
		55-69%=3			
		70-84%=4			
		85-99%=5			
		100%=6			

	TOTAL (ii)			12	2
	TOTAL (II) Money transfers			24	4
	GRAND TOTAL (I&II)		15	52	4
<b>K</b>	<b>Empowerment of Panchayats to Impose and Collect revenue</b>				
	TOTAL		25	225	20
<b>L</b>	<b>Funds Available with Panchayats</b>				
	<b>Own Revenue of Panchayat to total revenue of panchayat (2011-12)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			
	<b>Own Revenue of Panchayat to total revenue of panchayat (2012-13)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			
	<b>Own Revenue of Panchayat to own revenue of state (2011-12)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			

	<b>Own Revenue of Panchayat to own revenue of state (2012-13)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			
	Recent Orders to improve the funds of Panchayats	Subjective		5	0
	TOTAL		15	45	4
<b>M</b>	<b>Expenditure of Panchayats</b>				
	<b>Total expenditure of Panchayat to total expenditure of state (2011-12)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			
	<b>Total expenditure of Panchayat to total expenditure of state (2012-13)</b>	< 0.5% = 1		10	1
		0.5 -1.0% = 2			
		1.1-1.5% = 4			
		1.6-2.0% = 6			
		2.1-2.5% = 8			
		> 2.5 %= 10			
	TOTAL		15	20	2
<b>N</b>	<b>Accounting and Audit</b>				

	Does the State law have provisions related to maintenance of accounts and audit of Panchayats	Yes = 2		2	0
		No = 0			
	Is/are there any recent guidelines and other initiatives introduced since april 2012 for accounts & audit of panchayats	Yes = 2		2	0
		No = 0			
	Whether Budget & Account format for Panchayats as prescribed by C&AG is followed	C&AG = 5		5	0
		States Own Format= 3			
		No Prescribed Format = 0			
	Documents of the panchayats available on internet (check website)	Budget Proposals			
		Yes = 2		2	0
		No = 0			
		Accounts Statements			
		Yes = 2		2	0
		No = 0			
		Audited Accounts			
		Yes = 2		2	0
		No = 0			
		Annual Performance Report			
		Yes = 2		2	0
		No = 0			
	How many Panchayats have disclosed Account Statement online (Percentage to total number of Panchayats)	1-20% = 1		5	0
		21-40% = 2			

		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Whether the process of updating accounts online is undertaken	Yes = 2		2	0
		No = 0			
	Number of Panchayats audited in the fiscal year 2012-13 (Percentage to total number of Panchayats)	1-20% = 1		5	0
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	Are the Consolidated Audit Reports of Panchayats for 2012-13 placed in State Assembly	Yes = 2		2	0
		No = 0			
	Has the State developed a Financial Database for revenue and expenditure of Panchayats	Yes = 2		2	0
		No = 0			
	No. of panchayats included in financial database to total panchayats	1-20% = 1		5	0
		21-40% = 2			
		41-60% = 3			
		61- 80 % = 4			
		81- 100 % = 5			
	Are there trained staffs for upkeep of accounts at the GP level	Yes = 2		2	0
		No = 0			

	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (Gram Panchayat)	C&AG + LFA+CA= 5		5	0
		C&AG + LFA/CA= 4			
		C&AG = 3			
		LFA/LFA+CA = 2			
		CA = 1			
	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (Block Panchayat)	C&AG + LFA+CA= 5		5	0
		C&AG + LFA/CA= 4			
		C&AG = 3			
		LFA/LFA+CA = 2			
		CA = 1			
	Whether C&AG audits the accounts of Panchayats in the State in addition to Local Fund Audit and others (District Panchayat)	C&AG + LFA+CA= 5		5	0
		C&AG + LFA/CA= 4			
		C&AG = 3			
		LFA/LFA+CA = 2			
		CA = 1			
	Name of the departments in the State Govt. having Account with Panchayat Head	SUBJECTIVE		5	0
	TOTAL		20	60	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>O</b>	<b>Social Audit</b>				
	Rules and orders wrt social audit in the state	Yes=2		2	0
		No=0			

	Is Social Audit conducted in the State	Qualifying			
	Who Conducts Social Audit	Social Audit Team + Gram Sabha = 5		5	0
		Gram Sabha=2			
	Administrative structure for conducting social audit	Subjective		5	0
	Are social audit conducted for these schemes	NREGA Yes = 2		2	0
		No = 0			
		IAY Yes = 2		2	0
		No = 0			
		SSA Yes = 2		2	0
		No = 0			
		ICDS Yes = 2		2	0
		No = 0			
		AAY Yes= 2		2	0
		No = 0			
		Others Yes= 2		2	0
		No = 0			
	How often social audit conducted	Once in 6 months = 5		5	0
		Once in a Year = 3			
		Others = 0			
	Are the reports of social audits put in public domain	Yes = 2		2	0
		No =0			
	Has any ATR is prepared on the report of Social Audit	Yes = 2		2	0
		No =0			
	Are the Action Taken Reports of Social Audit discussed in GS Meeting	Yes = 2		2	0
		No =0			

	Is there any training available at the state to conduct social audit	Yes = 2		2	0
		No = 0			
	To whom the training is being imparted for Social Audit	Citizens = 5		13	0
		Panchayat Officials = 4			
		Elected Representatives = 3			
		Others = 1			
	TOTAL		20	50	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>P</b>	<b>Gram Sabha</b>				
	Are a minimum number of Gram Sabha meetings mandated	Yes = 2		2	0
		No = 0			
	Is there a system in the State to monitor and ensure the mandated quorum of GS meetings in each Panchayat	Yes = 2		2	0
		No = 0			
	Is there a mandated Quorum for Gram Sabha meetings	Yes = 2		2	0
		No = 0			
	Has the State issued guidelines as to how the Gram Sabha Meetings can be convened	SUBJECTIVE		5	0
	Whether special Gram Sabha meetings were convened by the State in 2012-13	Yes= 2		2	0
		No= 0			

	Do the Gram Sabha have sufficient funds to convene GS Meeting and for videography/photography of such meeting	Self Sufficient=5		5	0
		State support=3			
		No fund=0			
	In case of non-convening of Gram Sabha, what are the actions taken by the State	SUBJECTIVE		5	0
	Is there Measures taken by the State to promote people's assemblies below Gram Sabha for:	Ward Sabha Yes= 2		2	0
		No = 0			
		Mahila Sabha Yes = 2		2	0
		No = 0			
		Village Forest Committee Yes= 2		2	0
		No= 0			
		Others (Specify) Yes = 2		2	0
		No = 0			
	Has the State taken any measure :	Minutes Preparation of Gram Sabha Meeting			
		Yes = 2		2	0
		No = 0			
		Ensuring that Number of Meetings are held			
		Yes = 2		2	0
		No = 0			
	Whether Gram Sabha has the role in:	Planning		2	0
		Budget preparation		2	0
		Passing of accounts		2	0
		Social audit		2	0
		Preparation of BPL list for		2	0
		MNREGA		4	0

		IAY			
		AAY			
		Others			
	Do the Gram Sabha involved in preparation of labour budget under MGNREGA	Yes = 2		2	0
		No =0			
	Has the State recommended for 'Gaurav Gram Sabha' in 2012-13	Yes = 2		2	0
		No =0			
	Steps taken by the State for community mobilisation	Subjective		5	0
	TOTAL		20	58	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>Q</b>	<b>Transparency &amp; Anti-Corruption</b>				
	Whether the Panchayats provide information to the public under RTI Act	Yes = 2		2	0
		No = 0			
	Who is the Information Officer under RTI Act at each Panchayat (GP)	Panchayat Secretary =5		5	0
		Any other Authority = 3			
		None = 0			
	Who is the 1st Appellate Authority under RTI Act (GP)	Panchayat Sarpanch = 5		5	0
		Any other Authority = 3			
		None = 0			
	Who is the 2nd Appellate Authority under RTI Act (GP)	State Information Commissioner = 5		5	0
		Any other Authority = 3			
		None = 0			

	How many Panchayats submitted Annual Report to their respective authorities in 2012-13 (Out of Total Panchayats)	1-20% = 1		5	0
		21-40% = 2			
		41-60% = 3			
		61- 80% = 4			
		81-100 % = 5			
	Has the State made any policy for disclosure of information by the Panchayat to the public	Yes = 2		2	0
		No = 0			
	Modes used for disclosure of information	Display on Notice Boards = 2		6	0
		Website = 2			
		Others = 2			
	Does the State have the provision of Citizens' Charter at each level of Panchayats	Qualifying			
	Does the charter have the following:	List of services			
		Yes = 2		2	0
		No = 0			
		Procedure for obtaining the service			
		Yes = 2		2	0
		No = 0			
		Time required for providing service			
		Yes = 2		2	0
		No = 0			
		Grievance redressal of citizens			
		Yes = 2		2	0

		No = 0			
		Others (Specify)			
		Yes = 2		2	0
		No = 0			
	Which institution undertakes the complaints of Panchayat	Ombudsman = 5		5	0
		Lokayukta = 4			
		Govt Agency = 3			
		Others (Specify) = 2			
		No Institution = 0			
	TOTAL		20	45	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>R (i)</b>	<b>Physical Infrastructure of Panchayats &amp; e-Connectivity</b>				
	Number of Gram Panchayats having Panchayat 'Ghar' (Pucca Building) as percentage of the total number of Gram Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Gram Panchayats having Computer & Printers as total number of Gram Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			

	Number of Gram Panchayats having Scanners as total number of Gram Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Gram Panchayats having Telephone as total number of Gram Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Number of Gram Panchayats having Internet as total number of Gram Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 % = 10			
	Has State Government taken any measure for construction of new GP buildings, repair of existing buildings, construction of barrier free access, construction of toilets (including separate toilets for women) and electricity and water connections in last 3 years at each tiers of panchayat	Subjective		5	0
	TOTAL		30	55	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>(ii)</b>	<b>e-Connectivity</b>				

	Number of Panchayats having LAN or WAN as total number of Panchayats	No Data = 0			10	0
		1-25 % = 4				
		26-50 % = 6				
		51-75 % = 8				
		76-100 % = 10				
	Number of Panchayats having wireless connectivity as total number of Panchayats	No Data = 0			10	0
		1-25 % = 4				
		26-50 % = 6				
		51-75 % = 8				
		76-100 % = 10				
	Number of Gram Panchayats having Websites as total number of Gram Panchayats	No Data = 0			10	0
		1-25 % = 4				
		26-50 % = 6				
		51-75 % = 8				
		76-100 % = 10				
	Number of Panchayats having e-mail address as total number of Panchayats	No Data = 0			10	0
		1-25 % = 4				
		26-50 % = 6				
		51-75 % = 8				
		76-100 % = 10				
	Number of Panchayats regular in uploading their data online as total number of Panchayats	No Data = 0			10	0
		1-25 % = 4				
		26-50 % = 6				

		51-75 % = 8			
		76-100 %= 10			
	Number of Panchayats using Information Technologies, for service delivery as total number of Panchayats	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Number of Panchayat officials trained in computer applications as total number of Panchayat officials	No Data = 0		10	0
		1-25 % = 4			
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	In the process of computerisation does the Panchayats have the support on a continuous basis	Technical Support			
		Yes = 2		2	0
		No = 0			
		Hardware			
		Yes = 2		2	0
		No = 0			
		Connectivity			
		Yes = 2		2	0
		No = 0			
		Others=2		2	0
		No=0			
	Are the software applications adopted in the State	Plan Plus Yes =2		24	0

		PRIA Soft Yes = 2			
		Local Govt. Directory = 2			
		Panchayats Profiler=2			
		Asset Directory=2			
		Action Soft=2			
		Grievance Redressal=2			
		Social Audit=2			
		Training Management=2			
		GIS=2			
		Panchayats Portals=2			
		Service Plus=2			
	Has the State developed its own software for the functioning of Panchayats	Yes = 2		2	0
		No = 0			
	Has the State been nominated for the e-Panchayats Award	Yes = 2		2	0
		No = 0			
	TOTAL			106	0
	GRAND TOTAL		30	161	0
	RECENT INITIATIVES SINCE APRIL 2012				
<b>S</b>	<b>Panchayat Officials</b>				
	Whether State Panchayat Service exist	Yes = 2		2	0
		No = 0			
	Is there existence of service rules	Yes = 2		2	0
		No = 0			
	Is there provision of recruitment rules in the state	Yes = 2		2	0
		No = 0			
	TOTAL (a)		13.3	6	0

<b>(i)</b>	<b>Sanctioned and actual staff position</b>				
	Total number of Actual staff as per the percentage of sanctioned staffs	1-20% = 1		10	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
		Actual posts are more than sanctioned=10			
	<b>TOTAL (I)</b>		13.3	10	1
<b>(ii)</b>	<b>Power and control over functionaries as % total staff</b>	1-5% = 1		5	1
		6-10% = 2			
		11-15% = 3			
		16-20% = 4			
		>20=5			
	<b>Total (II)</b>			5	1
	<b>GRAND TOTAL (a, I &amp; II)</b>		13.4	21	2
	RECENT INITIATIVES SINCE APRIL 2012				
<b>U</b>	<b>TRAINING INSTITUTIONS</b>				
	Does the State have its own capacity building framework to train the elected representatives and panchayat officials	Yes = 2		2	0
		No = 0			
	Total number of State level dedicated trainers as per the number of total trainers	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			

		61-80% = 4			
		81-100% = 5			
	Total number of District level dedicated trainers as per the percentage of total trainers	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Is the State level Training Institution an autonomous agency	Yes = 2		2	0
		No = 0			
	Other Training Institutes apart from SIRD	Yes=2		2	0
		No=0			
	Whether partner institutions/organisations involved in training	Yes= 2		2	0
		No = 0			
	Institutional support for training is available:			2	0
		Throughout the year=2			
		After the election only = 1			
	TOTAL		30	20	2
	RECENT INITIATIVES SINCE APRIL 2012				
<b>V</b>	<b>TRAINING ACTIVITIES</b>				
<b>(i)</b>	<b>Training Details</b>				
	Whether any Training Needs Assessment for Panchayats is conducted in the State in the last three years	Yes = 2		2	0
		No = 0			

	In case of residential training, is it through hired arrangement or regular institutional arrangement	Both = 5		5	0
		Regular institutional arrangements = 4			
		Hired arrangements = 3			
	Topics of training	SUBJECTIVE		5	0
	Does the State provide training material in local language	Yes = 2		2	0
		No = 0			
	In what form the training materials were provided	Written material = 2		10	0
		Training films = 2			
		Film shows = 2			
		CDs = 2			
		Others = 2			
	Methods adopted for training	SUBJECTIVE		5	0
	Is there distance learning through satellite based training	Yes = 2		2	0
		No = 0			
	Existence of block resource centers	Yes = 2		2	0
		No = 0			
	TOTAL (I)		40	33	0
<b>(ii)</b>	<b>Training of elected representative and officials</b>				
	Number of trained elected representatives as per the total number of elected representatives in 2013-14	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			

	Number of Panchayat officials as per the total number of Panchayat Officials	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (women) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (men) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (SC) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Percentage of elected representatives (ST) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			

	Percentage of elected representatives (General) trained	1-20% = 1		5	1
		21-40% = 2			
		41-60% = 3			
		61-80% = 4			
		81-100% = 5			
	Is there any mechanism to assess the impact of training provided	Yes = 2		2	0
		No = 0			
	TOTAL		30	37	7
	Grand Total(I)& (II)			70	7
<b>W</b>	<b>Panchayat Assessment &amp; Incentives</b>				
	Whether there is Performance Audit for Panchayats	Yes = 2		2	0
		No = 0			
	Number of Panchayats in the State where Performance Audit was conducted during the last financial year 2012-13 as per the total number of panchayats in the State	1-25 % = 4		10	0
		26-50 % = 6			
		51-75 % = 8			
		76-100 %= 10			
	Does the state measure the performance of the Panchayats	Yes = 2		2	0
		No = 0			
	Has the State framed these for assessing the performance of Panchayats under RGPSA	Scoring plans for assessment = 4		10	0
		Questionnaire = 3			
		Indicators = 3			

		None of these= 0			
	Whether Panchayats submitted information for the RGPSA in 2012-13	Yes=2		2	0
		No=0			
	Has the State instituted any other prize (s) for Panchayats	Yes = 2		2	0
		No = 0			
	Has the State instituted any other prize (s) for best performing Elected Representatives	Yes = 2		2	0
		No = 0			
	In what way do you support the activities of the poor performing Panchayats	SUBJECTIVE		5	0
	TOTAL		20	35	0

Annex 1- Scoring Scheme: Table 1.2 (a) Role of Panchayats in Parallel Bodies/Institutions

(i)	Status/Parallel Bodies	VEC	VHSC	JFMC	WDC	Other	Other	Total
1	Parallel body merged with Gram Panchayat	5	5	5	5	5	5	
2	Parallel body accountable to Gram Panchayat	3	3	3	3	3	3	
3	Parallel body is Presided/ Chaired by Sarpanch/Chairperson/Ward Members	2	2	2	2	2	2	
4	Parallel Body totally separate from Gram Panchayat	0	0	0	0	0	0	
5	Any Other	0	0	0	0	0	0	
	Total Score	10	10	10	10	10	10	<b>60</b>

Annex 1- Scoring Scheme: Table 1.2 (b) Role of Panchayats in Parallel Bodies/Institutions

(ii)	Status/Parallel Bodies	DRDA	ITDA	District unit of Water & Sanitary Mission	District unit of NRHM	District Agriculture Corporation	District unit of SSA Mission	Other	Other	Other	Total
a	Parallel body merged with Panchayat Institution	20	10	10	10	10	10	10	10	10	
b	Parallel body made an unit of Panchayat Institution	15	8	8	8	8	8	8	8	8	
c	Function of parallel body limited to Fund/accounts Management	10	5	5	5	5	5	5	5	5	
d	Parallel body is Presided/ Chaired by Elected Representatives of Panchayats	5	2	2	2	2	2	2	2	2	
e	Elected Representatives of Panchayats are represented in Board of the body	5	2	2	2	2	2	2	2	2	
f	Parallel Body remains separate, but under the control of Panchayat	5	2	2	2	2	2	2	2	2	
g	Parallel Body remains separate and not under the control of Panchayat Institutions	0	0	0	0	0	0	0	0	0	
	<b>Total Score</b>	<b>20</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>100</b>

Annex 1- Scoring Scheme: Table 1.3: Functions Assigned to Panchayats and Actual Involvement Status of Panchayats

S.No.	Functions	Delegated by legislature	Activity Mapping with date	Executive orders issued with date	Expenditure incurred in 2012-13	Level of panchayats actually undertaking:			Total
						Gram	Block	District	
1	Agriculture, including Agricultural Extension	2	1	2	1	2	1	1	10
2	Land Improvement, Implementation of Land Reforms, Land Consolidation and Soil Conservation	2	1	2	1	2	1	1	10
3	Minor Irrigation, Water Management and Watershed Development	2	1	2	1	2	1	1	10
4	Animal Husbandry, Dairying and Poultry	2	1	2	1	2	1	1	10
5	Fisheries	2	1	2	1	2	1	1	10
6	Social Forestry and Farm Forestry	2	1	2	1	2	1	1	10
7	Minor Forest Produce	2	1	2	1	2	1	1	10
8	Small Scale Industries, including Food Processing Industries	2	1	2	1	2	1	1	10
9	Khadi, Village & Cottage Industries	2	1	2	1	2	1	1	10
10	Rural Housing	2	1	2	1	2	1	1	10
11	Drinking Water	2	1	2	1	2	1	1	10
12	Fuel and Fodder	2	1	2	1	2	1	1	10
13	Roads, Culverts, Bridges, Ferries, Waterways and other means of Communication	2	1	2	1	2	1	1	10

14	Rural Electrification, including Distribution of Electricity	2	1	2	1	2	1	1	10
15	Non-Conventional Energy Sources	2	1	2	1	2	1	1	10
16	Poverty Alleviation Programmes	2	1	2	1	2	1	1	10
17	Education, including Primary and Secondary Schools	2	1	2	1	2	1	1	10
18	Technical Training and Vocational Education	2	1	2	1	2	1	1	10
19	Adult and non-Formal Education	2	1	2	1	2	1	1	10
20	Libraries	2	1	2	1	2	1	1	10
21	Cultural Activities	2	1	2	1	2	1	1	10
22	Markets & Fairs	2	1	2	1	2	1	1	10
23	Health and Sanitation, including Hospitals, Primary Health Centres and Dispensaries	2	1	2	1	2	1	1	10
24	Family Welfare	2	1	2	1	2	1	1	10
25	Women and Child Development	2	1	2	1	2	1	1	10
26	Social Welfare, including Welfare of Handicapped & mentally retarded	2	1	2	1	2	1	1	10
27	Welfare of the weaker sections, and in particular, of the Scheduled Castes & the Scheduled Tribes	2	1	2	1	2	1	1	10
28	Public Distribution System	2	1	2	1	2	1	1	10
29	Maintenance of Community Assets	2	1	2	1	2	1	1	10
	<b>Other Services</b>								
31	Vital Statistics Including Registration of Births, Deaths & Marriages	2	1	2	1	2	1	1	10

32	Issue of certificates (mention the certificate)	2	1	2	1	2	1	1	10
33	Passport Application process	2	1	2	1	2	1	1	10
34	Land Use and Building Regulation	2	1	2	1	2	1	1	10
35	Parking Lots	2	1	2	1	2	1	1	10
36	Bus Stops	2	1	2	1	2	1	1	10
37	Public toilets	2	1	2	1	2	1	1	10
38	Parks, Gardens, Playgrounds (Civic Amenities)	2	1	2	1	2	1	1	10
39	Cremation, Burial & Carcass removal	2	1	2	1	2	1	1	10
40	Regulation of Slaughter Houses	2	1	2	1	2	1	1	10
41	Prevention of Cruelty to Animals	2	1	2	1	2	1	1	10
42	Fire Services	2	1	2	1	2	1	1	10
43	Disaster Management	2	1	2	1	2	1	1	10
44	Environmental Management	2	1	2	1	2	1	1	10
45	Mediation and local disputes	2	1	2	1	2	1	1	10
46	Scavenge Services (Solid/Liquid waste management)	2	1	2	1	2	1	1	10
47	Drinking water	2	1	2	1	2	1	1	10
48	Street lighting	2	1	2	1	2	1	1	10
49	Drains	2	1	2	1	2	1	1	10
50	Connectivity	2	1	2	1	2	1	1	10
51	Others	2	1	2	1	2	1	1	10
									500

Annex 1- Scoring Scheme: Table 1.4 Actual Involvement Status of Panchayats in Important Schemes

S.No.	Schemes	Expenditure on schemes	Level of Panchayats Actually Undertaking in each schemes			Total
	Central Government Schemes		Gram Panchayats	Block Panchayats	District Panchayats	
1	National Horticulture Mission	1	5	2	2	10
2	Macro Management of Agriculture (MMA) Scheme	1	5	2	2	10
3	Micro Irrigation	1	5	2	2	10
4	Accelerated Rural Water Supply Programme (ARWS)	1	5	2	2	10
5	Central Rural Sanitation Programme (CRSP)	1	5	2	2	10
6	National Programme of Nutritional Support to Primary Education (MDM)	1	5	2	2	10
7	Sarva Shiksha Abhiyan	1	5	2	2	10
8	National Rural Health Mission (NRHM)	1	5	2	2	10
9	Integrated Watershed Management Programme (DPAP, DDP & IWDP)	1	5	2	2	10
10	Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGA)	5	15	10	10	40
11	Rural Housing / IAY	1	5	2	2	10
12	SGSY	1	5	2	2	10

13	Pradhan Mantri Gram Sadak Yojana (PMGSY)	1	5	2	2	10
14	Integrated Child Development Services (ICDS)	1	5	2	2	10
15	National Rural Livelihood Mission (NRLM)	1	5	2	2	10
16	National Food Security Mission (NFSM)	1	5	2	2	10
17	National Social Assistance Program (NSAP)	1	5	2	2	10
	<b>State Government Schemes</b>					
18	Pension Scheme	1	5	2	2	10
19	Health and Sanitation	1	5	2	2	10
20	Other (Specify)	1	5	2	2	10
						230

Annex 1- Scoring Scheme: Table 1.5: Empowerment of Panchayats to Impose and Collect revenue

Name of Revenues	Collected by State agencies & partly shared with panchayat	Collected by State but transferred totally to panchayat	Panchayats Actually		Total Score
			Empowered to Collect	Actually collecting	
House or property tax	4	6	10	10	20
Surcharge on house or property tax	2	3	5	5	10
Tax on agriculture land for specific purpose	2	3	5	5	10
Cess on land revenue or surcharge	2	3	5	5	10
Surcharge on additional stamp duty	2	3	5	5	10
Tax on professions, trades, calling, and so forth	2	3	5	5	10
Octroi	1	2	3	2	5
Entertainment tax	2	3	5	5	10
Pilgrim tax or fees	1	2	3	2	5
Tax on advertisements	2	3	5	5	10
Education cess	1	2	3	2	5
Tolls	2	3	5	5	10
Tax on goods sold in a market, haat, fair, and so forth	1	2	3	2	5
Vehicle tax	2	3	5	5	10
Cattle tax	1	2	3	2	5
Conservancy rate	2	3	5	5	10
Lighting rate	2	3	5	5	10
Water rate	2	3	5	5	10
Drainage rate	2	3	5	5	10
Special tax for community civic services or works	1	2	3	2	5
Surcharge on any tax imposed by Gram panchayat	1	2	3	2	5
Minor Minerals Tax	1	2	3	2	5

Pond/Tank Lease	1	2	3	2	5
Village Land Lease	1	2	3	2	5
Shops lease	1	2	3	2	5
Any Other ( Please Specify )	2	3	5	5	10
Any Other ( Please Specify )	2	3	5	5	10
Total					225

Annex 1- Scoring Scheme: Table 1.6: Power over Panchayat Functionaries

S.No.	Functionaries	Selection	Appointment	Salary Payment	Monitoring	Punishment	Leave sanction	Transfer	Removal	Total
1	Chief Executive Officer	2	2	2	2	2	2	2	2	16
2	Deputy Secretary	2	2	2	2	2	2	2	2	16
3	Project Director	2	2	2	2	2	2	2	2	16
4	Chief Planning Officer	2	2	2	2	2	2	2	2	16
5	Accounts Officer	2	2	2	2	2	2	2	2	16
6	Assistant Secretary	2	2	2	2	2	2	2	2	16
7	Assistant Programme Officer	2	2	2	2	2	2	2	2	16
8	Executive Officer	2	2	2	2	2	2	2	2	16
9	Assistant Director	2	2	2	2	2	2	2	2	16
10	Manager/Superintendent	2	2	2	2	2	2	2	2	16
11	Technical Staff (Engineers)	2	2	2	2	2	2	2	2	16
12	First/Second Division Assistant	2	2	2	2	2	2	2	2	16
13	Stenographers	2	2	2	2	2	2	2	2	16
14	Driver	2	2	2	2	2	2	2	2	16
15	Group D Officers	2	2	2	2	2	2	2	2	16
16	Social Auditors	2	2	2	2	2	2	2	2	16
17	Data Entry Operator	2	2	2	2	2	2	2	2	16
18	Clerk-cum-Typist	2	2	2	2	2	2	2	2	16
19	Attender	2	2	2	2	2	2	2	2	16
20	Bill Collector	2	2	2	2	2	2	2	2	16
21	Secretary	2	2	2	2	2	2	2	2	16
22	Accounts assistant	2	2	2	2	2	2	2	2	16
23	Panchayat Development officer	2	2	2	2	2	2	2	2	16
24	Waterman	2	2	2	2	2	2	2	2	16
25	Sweeper	2	2	2	2	2	2	2	2	16
	Total									400

**Questionnaire: Panchayat Strengthening Index Survey for States-2013–14**  
**As on December 31, 2013**  
**(To be answered by the State Government)**

Name of the State : \_\_\_\_\_  
 Nodal Officer's Name : \_\_\_\_\_ Designation: \_\_\_\_\_  
 Nodal Officer's Contact Numbers :Tel:\_\_\_\_\_ Fax:\_\_\_\_\_ Mobile:\_\_\_\_\_ Email: \_\_\_\_\_

**Instructions:**

1. Please read the following notes as well as note (s) against each question.
2. All the sections need to be answered. Please write **-NA-** if not applicable.
3. Please **tick (√)** the appropriate box against each question/ information sought, unless mentioned otherwise. Please make multiple selections, if needed. If a box is not ticked or not filled, it will be treated as **'No'** filled in that box.
4. Please add more rows if need arises and give explanatory notes/observations wherever required. Please read the following table for acronyms.

Acronyms	Expansions	Acronyms	Expansions
ARWS	Accelerated Rural Water Supply Programme	LAN	Local Area Network
ASHA	Accredited Social Health Activist	MDM	Mid Day Meal Programme
ATR	Action Taken Report	MMA	Macro Management of Agriculture
BDO	Block Development Officer	MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
BPL	Below Poverty Line	NGO	Non Governmental Organisation
BP	Block Panchayat	NRHM	National Rural Health Mission
C&AG	Comptroller and Auditor General	NRLM	National Rural Livelihoods Mission
CBO	Community Based Organisations	PMGSY	Pradhan Mantri Gram Sadak Yojana
CRSP	Central Rural Sanitation Programme	PHC	Primary Health Centre
DPC	District Planning Committee	RTI	Right to Information Act
DRDA	District Rural Development Agency	SCs	Scheduled Castes
EVM	Electronic Voting Machine	SEC	State Election Commissioner
GP	Gram Panchayat	SFC	State Finance Commission
GIS	Geographic Information System	SGSY	Swarna Jayanti Gram Swarojgar Yojana
GS	Gram Sabha	S. No.	Serial Number
IAY	Indira Awas Yojana	SSA	Sarva Siksha Abhiyan

ICDS	Integrated Child Development Scheme	SIRD	State Institute for Rural Development
ICT	Information and Communication Technology	STs	Scheduled Tribes
ITDA	Integrated Tribal Development Agency	WAN	Wide Area Network

**Documents Sought:** Please send the following reports/ documents/ any other relevant material and questionnaire duly filled in to Prof. V N Alok, The Indian Institute of Public Administration, IP Estate, New Delhi, 110002. Please email soft copies of reports/ documents/ any other relevant material and questionnaire to [vnalokindex@gmail.com](mailto:vnalokindex@gmail.com)

S. No.	Documents	Whether such Act/ document made	Year of Publication/ Enactment/ Order	Sending all document	
				Yes	Some
1.	Panchayat Act of State				
2.	Amendments on State Panchayat Act				
3.	Enactment/notification on SFC				
4.	Amendment on SFC				
5.	Report of SFC				
6.	ATR on report of SFC				
7.	Office orders on the ATRs				
8.	Act on SEC				
9.	Amendments on SEC				
10.	Circulars on and by SEC				
11.	Election Notification by SEC				
12.	Act on DPC				
13.	Amendment on DPC				
14.	State Guidelines on DPC				
15.	Circulars on DPC				
16.	Annual Report on Panchayats for the year 2012 - 2013				
17.	Panchayat Rules				
18.	Compilation of Acts/Amendments/ Rules				
19.	Social Audit Orders and Rules				
20.	RTI Provisions				

### A. Basic Details of Panchayats

S. No.	Constitutional Provisions	Gram Panchayat	Block Panchayat	District Panchayat
1.	Please write here the name of each level of Panchayat as mentioned in State Act:			
2.	Number of Panchayats at each level:			
3.	Number of Elected Representatives for the entire State at each level of Panchayats:			
4.	Number of Women Representatives for the entire State at each level of Panchayats:			
5.	Number of SC Representatives for the entire State at each level of Panchayats:			
6.	Number of ST Representatives for the entire State at each level of Panchayats:			
7.	What is the percentage of reservation for Women?			
8.	What is the percentage of reservation for Scheduled Castes (SCs)?			
9.	What is the percentage of reservation for Scheduled Tribes (STs)?			
10.	What is the percentage of reservation for other backward class (OBCs)?			
11.	Panchayat elections conducted by SEC (Please mention Month/ Year)	1 <sup>st</sup> Election		
		2 <sup>nd</sup> Election		
		3 <sup>rd</sup> Election		
		4 <sup>th</sup> Election		
12.	Date on which previous/last election was due:			
13.	Date on which previous/last election was held:			
14.	Please mention reason(s), if there was a delay in the conduct of election:			
15.	Please write the nomenclature of 'Gram Sabha' as mentioned in the State Act:			

## B. Panchayat Elections

S. No.	Particulars	Gram Panchayat				Block Panchayat			Please fill up the boxes as per the questions in respective rows.
		2010-11	2011-12	2012-13	2013-till date	2010-11	2011-12	2012-13	
1.	Number of Panchayats dissolved before the completion of five year term since 1 <sup>st</sup> April 2010								
2.	Of which, the number of bye elections conducted within 6 months								
3.	Number of Head of Panchayat suspended								
4.	Number of Member of Panchayat suspended								
5.	Number of Head removed.								
6.	Number of Member removed.								
7.	Whether head of the Panchayat is directly elected or not? (Yes/No)								
8.	What is the provision in case a Sarpanch is suspended/removed?								
9.	In case of removal who takes charge of Panchayat activities?								
10.	Was the Bye Election conducted by the date? (Yes/No)								
	If not, reason thereon:								
<b>S.No.</b>									
1									
								Is the State Election	

	Commission in place for conducting Panchayat Elections? (Yes/No)			
	If yes, what is the status of the SEC in the State? Please tick if applicable:			
	a) High Court Judge			
	b) Chief Secretary			
	c) Secretary to Govt. of India			
	d) Others (Specify)			
2	Whether, the SEC is at par with a Judge of High Court with respect to:	<b>Emoluments</b>	<b>Service Conditions</b>	<b>Removal</b>
3	What is the tenure			

	of State Election Commissioner?			
4	Who appoints the State Election Commissioner?			
5	Do the SECs use Electronic Voting Machines during elections? (Yes/No)			
	If yes, how many panchayats have been using EVMs for elections? (Give numbers)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
	Does the State provide financial support to SECs for purchase			

	of EVMs & other Equipments? (Yes/No)	
	If no, who provides the fund to purchase EVMs?	
Recent initiatives taken since April 2012?		

### C. Dissolutions and Bye Elections

### D. Constitution and Function of District Planning Committee (DPC)

Please answer question no. 1, 2, 3 5, 10 & 11 in “Yes” or “No”. Please mention numbers in question no. 4, 6, 7, 8, 9, 12 & 13

S. No.	Particulars	Responses
1	Whether there are District Planning Offices?	
2	Are there guidelines or rules to make the DPCs functional?	
3	Whether notification/order for DPC is issued by the State Government?	
4	Number of districts for which DPCs have been constituted:	
5	Whether Chairperson of DPC is an elected representative of Panchayats/ Municipal bodies?	
6	Composition and Designation of the members of the DPC:	
	a. Number of Elected Representatives from District Panchayat:	
	b. Number of Elected Representatives from Municipalities:	
	c. Nominated members of the DPC:	

	d. Other ex-officio members of the DPC:	
	e. Details of Reservation in the DPC, if any:	
7	What are the rules/norms regarding number of DPC meetings in a year:	
8	How many DPCs submitted integrated plan to State government in 2012 – 13?	
9	How many DPCs have submitted integrated plan to State government in 2013 – 14 till date?	
10	Does the Plan of DPC form the part of State plan?	
11	Are the Gram Panchayats involved in planning at the local level	
12.	Mention the Functions performed by DPC:	
13.	Elaborate the financial and infrastructural support available to DPC. Also mention the functionaries available for DPC in the state:	

### E. Role of Panchayats in Parallel Bodies/Institutions

(i). Please tick in appropriate box to show the nature of control of Panchayats on parallel bodies? The list is only indicative. Please add other important parallel bodies.

S. No.	Status/Parallel Bodies	Village Education Committee	Village, Health and Sanitation Committee	Joint Forest Management Committee	Watershed Development Committee	Others	Others
1.	Parallel bodies merged with Gram Panchayat						
2.	Parallel bodies accountable to Gram Panchayat						
3.	Parallel bodies are chaired by <i>Sarpanch</i> /Chairperson/ Ward Member						
4.	Parallel bodies totally separated from Gram Panchayat						
5.	Any other (Please mention)						

Please mention recent initiative(s) that has/have been undertaken since April 2012.

(ii). Please tick in appropriate box to show the nature of control of Panchayats on parallel bodies? The list is only indicative. Please add other important parallel bodies.

S. No	Status/Parallel Bodies	DRDA	ITDA	District unit of Water & Sanitary Mission	District unit of NRHM	District Agriculture Corporation	District unit of SSA Mission	Others	Others
1	Parallel body merged with the District Panchayat Institution								
2	Parallel body made an unit of the Panchayat Institution								
3	Function of parallel body limited to Fund/accounts Management								
4	Parallel body is Presided/ Chaired by Elected Representatives of the Panchayat								
5	Elected Representatives of Panchayats are represented in Board of the parallel body								
6	Parallel body remains separate, but under the control of the Panchayat.								
7	Parallel body remains separate and not under the control of the Panchayat Institution								

Please mention recent initiative(s) that has/have been undertaken since April 2012.

## F. Autonomy to Panchayats

Please write the designation(s) of the authority(ies) who has/have the power to suspend or supersede (dissolve) panchayats and suspend or dismiss representatives of panchayats/ resend the resolutions for reconsideration or quash such resolutions.[Please name the authority/ official whose approval is needed.]

Name the authority who has the power to suspend/dismiss	Gram Panchayat		Block Panchayat		District Panchayat	
	Suspend	Dismiss	Suspend	Dismiss	Suspend	Dismiss
For Panchayats						
For Elected Representatives						
Who has the power to resend the resolution for reconsideration or quash the resolution	Reconsider	Quash	Reconsider	Quash	Reconsider	Quash
Is there any provision of charge sheet by State Government? (Yes/No)						
Please mention recent initiative(s) that has/have been undertaken in this regard since April 2012:						

### G. Functions Assigned to Panchayats and Actual Involvement of Panchayats

Please tick the appropriate box, if answer is "Yes". Add other important functions but not the revenue collecting functions in this table at the end.

S. No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Expenditure incurred in 2012-13	Level of Panchayats Actually Undertaking (Please tick the appropriate box)		
						Gram Panchayats	Block Panchayats	District Panchayats
1.	Agriculture, including Agricultural Extension							
2.	Land Improvement, Implementation of Land Reforms, Land Consolidation and Soil Conservation							
3.	Minor Irrigation, Water Management and Watershed Development							
4.	Animal Husbandry, Dairying and Poultry							
5.	Fisheries							
6.	Social Forestry and Farm Forestry							
7.	Minor Forest Produce							
8.	Small Scale Industries, including Food Processing Industries							

S. No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Expenditure incurred in 2012-13	Level of Panchayats Actually Undertaking (Please tick the appropriate box)		
						Gram Panchayats	Block Panchayats	District Panchayats
9.	Khadi, Village & Cottage Industries							
10.	Rural Housing							
11.	Drinking Water							
12.	Fuel and Fodder							
13.	Roads, Culverts, Bridges, Ferries, Waterways and other means of Communication							
14.	Rural Electrification, including Distribution of Electricity							
15.	Non-Conventional Energy Sources							
16.	Poverty Alleviation Programmes							
17.	Education, including Primary and Secondary Schools							
18.	Technical Training and Vocational Education							
19.	Adult and non-Formal Education							
20.	Libraries							
21.	Cultural Activities							
22.	Markets & Fairs							
23.	Health and Sanitation, including Hospitals, Primary Health Centres and Dispensaries							
24.	Family Welfare							
25.	Women and Child Development							
26.	Social Welfare, including Welfare of Handicapped & mentally retarded							
27.	Welfare of the weaker sections, and in particular, of the Scheduled Castes & the Scheduled Tribes							
28.	Public Distribution System							
29.	Maintenance of Community Assets							
	<b>Other Services</b>							
1.	Vital Statistics Including Registration of Births, Deaths & Marriages							

S. No.	Functions	Delegated by Legislature	Activity Mapping with date	Executive Order Issued with date	Expenditure incurred in 2012-13	Level of Panchayats Actually Undertaking (Please tick the appropriate box)		
						Gram Panchayats	Block Panchayats	District Panchayats
2.	Issue of certificates (mention the certificate)							
3.	Passport Application process							
4.	Land Use and Building Regulation							
5.	Parking Lots							
6.	Bus Stops							
7.	Public toilets							
8.	Parks, Gardens, Playgrounds (Civic Amenities)							
9.	Cremation, Burial & Carcass removal							
10.	Regulation of Slaughter Houses							
11.	Prevention of Cruelty to Animals							
12.	Fire Services							
13.	Disaster Management							
14.	Environmental Management							
15.	Mediation and local disputes							
16.	Scavenge Services (Solid/Liquid waste management)							
17.	Drinking water							
18.	Street lighting							
19.	Drains							
20.	Connectivity							
21.	Any other (specify)							

Please mention recent initiative(s) that has/have been undertaken, with respect to the devolution of functions, since April 2012.

## H. Involvement of Panchayats in Important Schemes

Please tick the appropriate box (es) indicating respective activities undertaken by Panchayats under each scheme.

S. No	Important Union Government Schemes	Expenditure incurred on the scheme in 2012-13	Levels of Panchayats Actually undertaking in each scheme		
			Gram Panchayats	Block Panchayats	District Panchayats
1	National Horticulture Mission				
2	Macro Management of Agriculture (MMA) Scheme				
3	Micro Irrigation				
4	Accelerated Rural Water Supply Programme (ARWS)				
5	Central Rural Sanitation Programme (CRSP)				
6	National Programme of Nutritional Support to Primary Education (MDM)				
7	Sarva Shiksha Abhiyan (SSA)				
8	National Rural Health Mission (NRHM)				
9	Integrated Watershed Management Programme (DPAP, DDP & IWDP)				
10	Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGA)				
11	Rural Housing / IAY				
12	Swarna Jayanti Gram Swarajgar Yojana (SGSY)				
13	Pradhan Mantri Gram Sadak Yojana (PMGSY)				
14	Integrated Child Development Services (ICDS)				
15	National Rural Livelihoods Mission (NRLM)				
16	National Food Security Mission (NFSM)				
17	National Social Assistance Program (NSAP)				
	<b>State Government Schemes</b>				
18	Pension Schemes				
19	Health and Sanitation				
20	Any other (specify)				

**I. 13<sup>th</sup> Finance Commission (TFC) Grants to the Panchayats**

Particulars		Gram Panchayats	Block Panchayats	District Panchayats
<b>2011-12</b>				
1	TFC Grants-in-aid transferred to Panchayats			
2	State Grants including SFC transferred to Panchayats			
3	Backward Regions Grant Fund (BRGF)			
4	Others (e.g. Subvention Grants)			
<b>Total Fiscal Transfers</b>				
<b>2012-13</b>				
1	TFC Grants-in-aid transferred to Panchayats			
2	State Grants including SFC transferred to Panchayats			
3	Backward Regions Grant Fund (BRGF)			
4	Others (e.g. Subvention Grants)			
<b>Total Fiscal Transfers</b>				
Describe which department transfers fund and mention whether that is for one time or a regular featured grant:				

**J. State Finance Commission (SFC)****(i)**

Whether qualifications and manner of selection of members of SFC are prescribed in the Act/ Rules? (Yes/No)	
Whether there is a permanent State Finance Commission Cell? (Yes/No)	

	Period Covered	MM/YY of Formation	MM/YY of Submission of Report	MM/YY of ATR laid before the Legislature
3 <sup>rd</sup> SFC				
4 <sup>th</sup> SFC				

Please State the reasons, if the gap is more than 5 years in the constitution of two SFCs, if there is substantial delay in submission of report by the SFCs or there is substantial delay in laying of the same in the Legislature.

Please list 5 most important recommendations of last SFC on which ATR is laid before the legislature. Also illustrate the ATR on those recommendations. Please State, if major recommendations of (e.g. Resource Sharing, Assignment of Tax Proceeds, and Grants) have been accepted.

**(ii) Money Transfers to Panchayats on account of the SFC recommendations (Rupees in Lakhs)**

Year	Amount Recommended	Amount Budgeted	Amount Sanctioned	Amount Released
2010-11				
2011-12				
2012-13				
2013-14 (till date)				

**K. Empowerment of Panchayats to Impose and Collect revenue (Taxes/ Fees/ Duties/ Cess/ Toll/ Rent etc.)**

Please tick appropriate boxes, if Panchayats are empowered and/or actually collecting taxes. Please add any other Panchayat revenue not in the list.

S. No.	Name of Revenues	Tick only those revenues collected by State agencies and partly shared with Panchayats	Tick only those revenues collected by the State but transferred totally to Panchayats	Gram Panchayats		Block Panchayat		District Panchayat	
				Empowered to collect	Actually collecting	Empowered to collect	Actually collecting	Empowered to Collect	Actually collecting
1									
2									
3									
4									
5									
6									
7									
8									
9									

10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

**L. Fund available with Panchayats**

(Rs. lakhs)

S.No.	Income	2011-12		2012-13	
		Revenue Demand	Revenue Collection	Revenue Demand	Revenue Collection
1	Revenue from Taxes/Fees/Duties/Cess by Panchayats (own tax revenue)				
(i)	Property tax				
(ii)	Other taxes				
2	Revenue other than taxes (own non-tax revenue)				
(i)	User charges				
(ii)	Royalties for minerals and others				
(iii)	Others (pl. specify e.g. Remunerative Assets)				
	<b>Total (1+2)(Own Source Revenue)</b>				
3	Fiscal Transfers				
(i)	Revenue received from Thirteenth Finance Commission				
(ii)	Revenue received from State [including State Finance Commission (SFC)]				
(iii)	Grants for Staff salary				
(iv)	Other grants from State (give detail)				
(v)	Receipts from Centrally Sponsored Schemes (CSS)				
(vi)	BRGF Grants				
(vii)	Receipts from MPLAD/MLALAD				
(viii)	Receipts from voluntary organizations/agencies				

(ix)	Others (specify)				
<b>Total Fiscal Transfers</b>					
<b>Total Revenue Receipts</b>					
<b>Percentage of Total Revenue Received for Panchayats</b>					

### M. Expenditure of Panchayats

(Rs. lakhs)

S.No	Expenditure	2011-12	2012-13
<b>1</b>	<b>Current Expenditure</b>		
<b>2</b>	<b>Establishment:</b>		
(i)	Salaries paid by the State Government to core staff of Panchayat		
(ii)	Salaries paid by the Panchayat to other staff		
(iii)	Salaries of departmental staff		
(iv)	Pension etc. for employees		
(v)	Honorarium to Panchayat members		
(vi)	Any other (pl. specify)		
<b>3</b>	<b>Operations &amp; Maintenance:</b>		
(i)	Buildings and community assets		
(ii)	Rural roads		
(iii)	Water supply and sanitation		
(iv)	Any other expenses		
<b>4</b>	<b>Welfare and Developmental Expenditure:</b>		
(i)	Expenditure on Centrally Sponsored Schemes		
(ii)	State schemes expenditure		
(iii)	Any other (pl. specify)		
	<b>Total Current Expenditure (1 to 4)</b>		
<b>5</b>	<b>Capital Expenditure</b>		
<b>6</b>	<b>Contingencies</b>		
<b>7</b>	<b>Miscellaneous Expenditure (specify)</b>		
<b>8</b>	<b>Others (pl. specify)</b>		
<b>Total Expenditure</b>			
<b>Percentage of total expenditure made for panchayat</b>			

Any Government orders issued to improve the funds of Panchayats since April 2012; if so, please describe:

## N. Accounting and Audit

S. No	Particulars			
1	Does the State law have provisions related to maintenance of accounts and audit of Panchayats (Yes/No)			
2	Please state recent guidelines and other initiatives introduced since April 2012 in this regard:			
3	Whether Budget & Account format for Panchayats as prescribed by C&AG is followed? (Yes/No)			
	If yes, in which year it was introduced?			
4	Are the following documents of the panchayats available on internet? Please tick			
	a) Budget Proposals			
	b) Accounts Statements			
	c) Audited Accounts			
	d) Annual Performance Report			
	If yes, specify the website, where accounts of Panchayats are available?			
	If not, what are the actions taken to make it online?			
5	How many Panchayats have disclosed Account Statement online? (Please give numbers)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
6	Who undertook the process of updating accounts online? (Own Staff/Outsourced)			
7	Number of Panchayats audited in the fiscal year 2012-13:			
8	Are the Consolidated Audit Reports of Panchayats for 2012-13 placed in State Assembly? (Yes/No)			

9	Has the State developed a Financial Database for revenue and expenditure of Panchayats? (Yes/No)			
	If yes, how many Panchayats are included in such data? (Please give numbers)			
10	Are there trained staffs for upkeep of accounts at the GP level?			
11	Who audits the accounts of Panchayats in the State? Please tick	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
	C&AG			
	Local Fund Audit			
	Others (Specify)			

Please name the departments in the State Government. having Account with Panchayat Head:

a)

b)

c)

d)

Please describe, if recent initiative(s) have been undertaken related to Accounting & Audit since April 2012.

### O. Social Audit

S.No	Particulars
1	Please elaborate the Rules and Orders regarding Social Audit in the State. (Copies may be provided)
2	Is Social Audit conducted in the State? (Yes/No)
	If yes, who conducts it :
	<b>Gram Sabha</b>
	<b>Others (Specify)</b>
3	Please explain the administrative structure for the conduct of social audit:
4	Are there social audit teams in the State? (Yes/No)

	If yes, how many such teams are in existence?						
5	Are social audit conducted for these schemes? (Please tick)	<b>NREGA</b>	<b>IAY</b>	<b>SSA</b>	<b>ICDS</b>	<b>AAY</b>	<b>Others (Specify)</b>
6	How often are the social audits conducted?	<b>Once in a year</b>	<b>Once in 6 months</b>	<b>Others (Specify)</b>			
7	Are the reports of social audits put in public domain? (Yes/No)						
	If yes, how such reports are disseminated?						
8	Has any ATR is prepared on the report of Social Audit? (Yes/ No)						
9	Are the Action Taken Reports of Social Audit discussed in GS Meeting? (Yes/No)						
10	Is there any training available at the state to conduct social audit? (Yes/No)						
	If yes, who imparts the training?	<b>State Institutions</b>	<b>NGOs</b>	<b>CBOs</b>	<b>Others (Specify)</b>		
11	To whom the training is being imparted for Social Audit?	<b>Panchayat Officials</b>	<b>Elected Representatives</b>	<b>Citizens</b>	<b>Others (Specify)</b>		
Recent Initiatives with respect to Social Audit in the Year 2012-13:							

### P. Gram Sabha (GS)

S.No	Particulars	
1.	Are a minimum number of Gram Sabha meetings mandated? (Yes/No)	
2.	Is there a system in the State to monitor and ensure the mandated quorum of GS meetings in each Panchayat? (Yes/No)	
	If so, please elaborate:	
3.	As per the State Panchayat Act, enumerate the powers and functions of Gram Sabha:	
	a)	
	b)	

	c)	
	d)	
	e)	
4.	Is there a mandated Quorum for Gram Sabha meetings? (Yes/No)	
	If yes, what is the prescribed quorum of GS in the State?	
5.	Has the State issued guidelines as to how the Gram Sabha Meetings can be convened? Please elaborate:	
6.	How many special Gram Sabha meetings were convened by the State in 2012-13?	
7.	Do the Gram Sabha have sufficient funds to convene GS Meeting and for videography/photography of such meeting? (Yes/No)	
8.	In case of insufficiency of funds, do the State provide fund to Gram Panchayats for convening GS meeting?	
9.	In case of non-convening of Gram Sabha, what are the actions taken by the State, if any?	
10.	Elaborate the measures taken by the State to promote people's assemblies below Gram Sabha, including the following in Gram Panchayats?	
	a) Ward Sabha:	
	b) Mahila Sabha:	
	c) Village Forest Committee:	
	d) Others (Specify):	
11.	Has the State taken any measure for the following? (Yes/No)	
	a) Minutes Preparation of Gram Sabha Meeting	
	b) Ensuring that Number of Meetings are held	
	If yes, please elaborate the measures:	
12.	What is the role of Gram Sabha that the State has identified in the following?	
	a) Planning	
	b) Budget Preparation	

	c) Passing of Accounts	
	d) Social Audit	
	e) Preparation of BPL List	
	f) Preparation of Beneficiary list:	
		MGNREGA
		IAY
		AAY
		Others (Specify)
	g) Preparation of Labour Budget under MGNREGA	
	h) Any other (Specify)	
13.	Has the State recommended for 'Gaurav Gram Sabha' in 2012-13?(Yes/No)	
14.	Any other steps taken by the State for community mobilisation since April 2012:	

Recent initiative(s) undertaken since April 2012 to strengthen "Gram Sabha":

### Q. Transparency and Anti-corruption

S. No	Particulars	Gram Panchayat	Block Panchayat	District Panchayat
1	Whether the following Panchayats provide information to the public under RTI Act? (Yes/No)			
2	Who is the Information Officer under RTI Act at each Panchayat? (mention their designations)			
3	Who is the 1st Appellate Authority under RTI Act? (mention their designations)			
4	Who is the 2 <sup>nd</sup> Appellate Authority under RTI Act? (mention their designations)			
5	How many Panchayats submitted Annual Report to their respective authorities in			

	2012-13? (Please give numbers)			
6	Has the State made any policy for disclosure of information by the Panchayat to the public? (Yes/No)			
	If yes, what are the modes used for disclosure of information?			
	a) Display in Notice Boards			
	b) Website			
7	c) Others (Specify)			
	Does the State have the provision of Citizens' Charter at each level of Panchayats? (Yes/No)			
	If yes, does the charter have the following? Please tick			
	a) List of services			
	b) Procedure for obtaining the service			
	c) Time required for providing service			
8	d) Grievance redressal of citizens			
	e) Others (Specify)			
	Which institution undertakes the complaints of Panchayat? Please tick			
	a) Ombudsman			
9	b) Lokayukta			
	c) Govt Agency			
	d) Others (Specify)			
	Number of cases reported for action by the above institutions in the last fiscal year. (Give numbers)			
10	Number of complaints received against the following. (Please give numbers)	<b>Elected Representatives</b>	<b>Panchayat Officials</b>	<b>Others (Specify)</b>
Please describe recent initiative(s) undertaken since April 2012 with respect to the transparency in Panchayats:				

## R. Physical Infrastructure of Panchayats & e-Connectivity

Please write numbers. The list is only indicative. Please add other most important infrastructures in last rows.

**(i). Physical Infrastructure of Panchayats**

S. No	Equipment & Applications	Gram Panchayat	Block Panchayat	District Panchayat
1	<b>Number of Panchayats having:</b>			
	a) Panchayat 'Ghar' (Pucca building)			
	b) Computers & Printers			
	c) Scanners			
	d) Telephone			
	e) Internet			
	f) Websites			
	g) e-mail address			
2	Measures taken by the State Govt. and expenditures made for construction of new GP buildings, repair of existing buildings, construction of barrier-free access, construction of toilets (including separate toilets for women), electricity and water connections in last 3 years at each tiers of panchayat:			

Recent initiatives taken since April 2012 with respect to infrastructure development:

## (ii). e- Connectivity

S. No	Particulars	Gram Panchayats	Block Panchayats	District Panchayats
1	How many Panchayats are connected to each other through LAN or WAN?			
2	How many Panchayats use wireless connectivity?			
3	How many Panchayats have their e-mail address?			
4	How many Panchayats are regular in uploading their data online?			
5	Do the Panchayats use ICT for delivering services? (Yes/No)			
	If yes, how many Panchayats use Information Technologies, for service delivery? (Give numbers)			
6	What all services are delivered using ICT in the Panchayats			
7	How many Panchayat officials have been trained in computer applications?			
8	In the process of computerization do the Panchayats have the following support? Please tick and briefly write the process.			
	a) Technical Support			
	b) Hardware			
	c) Connectivity			
	d) Others (Please specify)			
9	How many software applications are adopted in the State? Please tick, and write the year of adoption			
	<b>Software Application</b>	<b>Year of its adoption (if applicable)</b>		
	a) PriSoft			
	b) PlanPlus			
	c) Local Govt. Directory			
	d) Panchayats Profiler			
	e) Asset Directory			
	f) ActionSoft			
	g) Grievance Redressal			
	h) Social Audit			
	i) Training Management			
j) GIS				

	k) Panchayats Portals	
	l) ServicePlus	
10	Has the State developed its own software for the functioning of Panchayats? (Yes/No)	
	If yes, name the software developed by the State?	
	a)	
	b)	
	c)	
	d)	
	e)	
11	Has the State been nominated for the e-Panchayats Award?	
	If yes, when the State was nominated?	

Recent initiatives taken since April 2012 with respect to e-Connectivity:

**S. Panchayat Officials**

S. No	Particulars	Yes/No
1	Whether there exists State Panchayat Service? If yes, which year it was introduced:	
2	Is there existence of service rules:	
3	Is there provision of recruitment rules in the state:	

**(i) Powers of Panchayat over the staff (give details of Panchayat staff including para professionals)**

Designation of the employees	Pay scale	Sanctioned Strength	Actual Number	Vacant	Which Authority has the power for the following:							
					Selection	Appointment	Salary payment	Day-to-day monitoring	Major/Min or punishment	Leave sanction	Transfer	Removal
<b>Gram Panchayat</b>												
<b>1. Regular Staff:</b>												
i.												
ii.												
iii.												
iv.												
v.												
vi.												
vii.												

<b>2. Contractual Staff:</b> i. ii. iii. iv. v. vi. vii.												

Designation of the employees	Pay scale	Sanctioned Strength	Actual Number	Vacant	Which Authority has the power for the following:							
					Selection	Appointment	Salary payment	Day-to-day monitoring	Major/Min or punishment	Leave sanction	Transfer	Removal
<b>Block Panchayat</b>												
<b>1. Regular Staff:</b> i. ii. iii. iv. v. vi. vii.												

<b>2. Contractual Staff:</b> i. ii. iii. iv. v. vi. vii.												

Designation of the employees	Pay scale	Sanctioned Strength	Actual Number	Vacant	Which Authority has the power for the following:							
					Selection	Appointment	Salary payment	Day-to-day monitoring	Major/Min or punishment	Leave sanction	Transfer	Removal
<b>District Panchayat</b>												
<b>1. Regular Staff:</b> i. ii. iii. iv. v. vi. vii.												

<b>2. Contractual Staff:</b> i. ii. iii. iv. v. vi. vii.													

Recent initiatives in this regard since April 2012:

**T. Training Institutions**

Does the State have its own capacity building framework to train the elected representatives and panchayat officials? (Yes/No)	
If yes, please specify	

1.	Please name institutions responsible for the training of Panchayats:				
	<u>State Level</u>	No. of Trainers	No. of Trainers Dedicated for Panchayats	<u>District level</u>	No. of Trainers No. of Trainers Dedicated for Panchayats
	a)			a)	
	b)			b)	
	c)			c)	
	d)			d)	
2.	Is the State level Training Institution an autonomous agency? (Yes/No)				
3.	State, if any new training institutes are proposed or coming up. (Yes/No)				
	If yes, mention the name of the institutes/centres and the year proposed for its launching:				
	a)			Year-	
	b)			Year-	
	c)			Year -	
	d)			Year -	
4.	Number of partner institutions/organizations involved in training, if any?				
5.	Whether the institutional support for training is available throughout the year or only after elections?				
6.	How long does the State Institute take to complete the training of all officials and elected representatives?				
Recent initiatives in this regard since April 2012:					

## U. Training Activity

### (i). Training Details

S. No	Particulars	
1	Whether any Training Needs Assessment for Panchayats is conducted in the State in the last three years? (Yes/No)	
2	In case of residential training, is it through hired arrangement or regular institutional arrangement?	

3	What are the topics of training covered in 2012-13?	
	a)	
	b)	
	c)	
	d)	
	e)	
4	Does the State provide training material in local language? (Yes/No)	
5	In what form the training materials were provided in 2012-13? (Please tick)	
	a) Written material	
	b) Training films	
	c) Film shows	
	d) CDs	
	e) Others (Specify)	
6	What are the various methods adopted for training?	
	a)	
	b)	
	c)	
	d)	
	e)	
7	Is there distance learning through satellite based training in 2012-13? (Yes/No)	
	If yes, how many block resource centres are in existence? (Please give numbers)	

**(ii) Training of Elected Representatives and Officials**

Level and Year	Total Number of		Number Trained	
	Elected Representatives	Panchayat Officials	Elected Representatives	Panchayat Officials
<b>District Panchayat</b>				
2011-12				
2012-13				
2013-14 till date				
<b>Block Panchayat</b>				
2011-12				
2012-13				
2013-14 till date				
<b>Gram Panchayat</b>				
2011-12				
2012-13				
2013-14 till date				
Percentage of Elected Representatives trained in 2012-2013:	<b>Women</b>		<b>Men</b>	
Percentage of Elected Representatives trained in the following categories in 2012-2013	<b>SC (%)</b>	<b>ST (%)</b>	<b>General (%)</b>	
Is there any mechanism to assess the impact of training provided? (Yes/No)				
If yes, please elaborate:				

**V. Panchayat Assessment & Incentives**

<b>S. No</b>	<b>Particulars</b>			
1	Whether there is Performance Audit for Panchayats? (Yes/No)			
	If Yes, state the number of Panchayats in the State where Performance Audit was conducted during the last financial year 2012-2013.			
2	Does the state measure the performance of the Panchayats? (Yes/No)	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
3	Has the State framed the following for assessing the performance of Panchayats under RGPSA? If yes, please tick			
	a) Indicators			
	b) Questionnaire			
	c) Scoring plans for assessment			
4	How many Panchayats have submitted information for the RGPSA in 2012-2013?	<b>Gram Panchayat</b>	<b>Block Panchayat</b>	<b>District Panchayat</b>
5	Has the State instituted any other prize (s) for Panchayats? If so, please name & give details:			
6	Has the State instituted any prize for best performing Elected Representatives? (Yes/No)			
	If yes, please specify the prize:			
7	In what way do you support the activities of the poor performing Panchayats? Please elaborate:			

Recent initiative(s) taken since April 2012 with regard to Performance Assessment and Incentivisation:

**Thank You !!!!**

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